

ON INIÖ

The Impact of Social Networks on Rural Entrepreneurs

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Abstract

Sustaining the vitality of rural areas has been a hot topic for discussion in recent years, especially in developed countries such as Finland. The constant flow to more urban areas puts an understandable pressure on local services and there are few signs that this trend is to curb in the near future. The primary goal of this thesis is to dig deeper into rural entrepreneurship as a potential solution to many of the problems that the people living in the rural areas of developed countries face. Schumpeter introduces the term, *creative destruction*, which implies that the role of an entrepreneur to combine existing resources in a unique way to create value. As traditional ways of making a living are under threat, one could hypothesise entrepreneurship could portray a potential solution to this problem.

Quite simply, rural entrepreneurship is entrepreneurship that takes place in a rural context. Rurality refers to a location that is difficult to access, due to long distances or otherwise challenging terrain. From an entrepreneurial standpoint, rurality offers unique characteristics to the business that are not typical in an urban setting. This research concentrates on the role that the entrepreneur's social networks play on them as entrepreneurs, and whether their professional self is affected by the social environment.

The empirical stage was conducted on the main island of Iniö, which is a collection of islands located in the Archipelago Sea close to the sea border of Åland. The archipelagic area is known for beautiful scenery and is a popular summer destination for tourists and a coveted location for a summerhouse. Only around 200 local inhabitants live year-round on the islands of Iniö, but the population soars during the summer months. I chose Iniö as the setting for this research due to my personal connection with the area and the locals, as I have had the opportunity to live there managing the village shop and guest harbour for a total of two years. My personal knowledge of the local context was helpful when conducting the focused ethnographic research.

The first main finding of this research was related to the benefits that modern technology offers to entrepreneurs located in rural areas. The entrepreneurs are able to access information with relative ease, which does not put them in a secondary position compared to urban entrepreneurs. Secondly, the entrepreneurs seemed to have a certain etiquette when doing business with people they have a close relationship, such as engaging in barter or drawing up official contracts. Thirdly, conflicts seem to be created with people that the entrepreneurs were not close with, but there was some type of social obligation towards them. This seems to be a significant challenge for the entrepreneur, and there did not seem to be an obvious answer to this issue.

Keywords: rural entrepreneurship, social networks, social ties

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Tiivistelmä

Maaseutujen elinvoimaisuudesta on keskusteltu runsaasti viime vuosina ja erityisesti Suomen kaltaisissa kehittyneissä maissa. Jatkuva maaltamuutto kaupunkiin on laittanut ymmärrettävää painetta palvelujen kattavuudelle, eikä tälle ongelmalle ole näkyvissä yksinkertaista ratkaisua lähivuosina. Tutkimuksessani ensisijaisena tavoitteena on tarkastella maaseutuyrittäjyyttä, ja tutkia jos siitä olisi apua nykyisiin ongelmiin joiden kanssa maaseudulla asuvat ihmiset kamppailevat. Schumpeter loi käsitteen *luova tuho*, jossa keskiössä on yrittäjän tehtävä olemassa olevia resurssien yhdistämistä arvoa tuottavalla tavalla. Perinteisten elinkeinojen kohdatessa haasteita muuttuvassa maailmassa voisi kenties yrittäjyys tarjota toimivan vaihtoehdon.

Yksinkertaisuudessaan maaseutuyrittäjyys on yrittäjyyttä, joka sijoittuu maaseudulle kaupunkialueiden ulkopuolelle. Yrittäjyysnäkökulmasta se tarjoaa ainutlaatuisia piirteitä sekä haasteita yrittäjyyteen, jotka eivät välttämättä toistu urbaanissa ympäristössä. Tämä tutkielma keskittyy yrittäjien sosiaalisiin verkostoihin ja sen päätavoitteena on selvittää yrittäjien henkilökohtaisten suhteiden vaikutus liiketoiminnallisesta näkökulmasta.

Empiirinen osuus tutkimuksesta suoritettiin Iniön pääsaarella haastatteleamalla paikallisia vastikään yrityksensä perustaneita yrittäjiä. Iniö syrjäinen saarikokonaisuus, joka sijaitsee Saaristomerellä lähellä Ahvenanmaan merirajaa. Alue on tunnettu idyllisestä saaristomaisemasta, ja se on suosittu kesälomakohde sekä mökkiläisten keskuudessa, että turistien joukossa. Iniössä asuu vain 200 ympärivuotista asukasta, mutta asukkaiden määrä monikertaistuu kesäkuukausien aikana. Valitsin Iniön tutkimuskohteekseni, sillä olen asunut siellä reilun kahden vuoden ajan työskennellessäni paikallisessa kyläkaupassa ja vierasvenesatamassa. Henkilökohtaisesta yhteydestäni Iniöön on ollut hyötyä tutkimuksessa, ja pystyin hyödyntämään paikallista tuntemustani etnografisessa tutkimusmenetelmää käyttäen

Tutkimuksessani ensimmäinen huomio oli, että moderneilla tiedonsiirtovälineillä on tärkeä asema fyysisen etäisyyden kaventamisessa. Haastattelemani yrittäjät käyttivät digitaalisia välineitä mm. tiedon hankkimiseen ja uusien mahdollisuuksien etsimiseen. Toisekseen, yrittäjät ovat rakentaneet omia liiketoimintatapoja läheisten ihmisten kanssa konfliktien välttämiseksi, jotka olivat mm. vaihdantatalous tai virallisten sopimusten laatiminen. Tällä tavalla riski riitatilanteeseen joutumisesta pienenee. Kolmas tutkimuksessani ilmenevä asia oli, että tietyn tyyppiset ihmissuhteet voivat aiheuttaa yrittäjille harmia. Tämä ihmissuhteet ovat ns. *tahmeita tuttavuuksia*, eli yhteisön jäsenet joiden kanssa yrittäjä ei ole läheinen, mutta jota kohtaan hän tuntee jonkin asteista velvollisuuden tunnetta. Tämä tuntui olevan haaste yrittäjille, mutta siihen ei löytynyt selkeää ratkaisua.

Avainsanat maaseutuyrittäjyys, sosiaalinen verkosto, sosiaalinen side

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Now, as my time spent studying is coming to an end and reality is knocking on the door, I would like to start my thesis by acknowledging some of the wonderful people I have met during the past years. Firstly I would like to thank members of the faculty, and especially my thesis supervisor Steffen Farny for his endless support and Saija Katila for being a source of inspiration. As we all know, studying is so much more than studying, and therefore I would like to thank my fellow students for all the memories. Thank you Tiina for showing me how things are done, and thank you Henriikka for doing them with me.

I would like to thank Iniö for offering a genuinely interesting topic, and one that I will never get tired of. Thank you for the opportunity and the amazing challenges I was able to overcome during the years I spent living on the second floor of Iniö Lanthandel. Thank you Johnny, Pekka, Agneta, Jari and Toffe for making it a paradise.

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Iona Maaranto

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Otaniemi

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The village centre of Norrby, Iniö (Maaranto, 16.3.2018)

1 Introduction

1.1 Iniö

A friend: “Are you afraid?”

Me: “No. I trust you.”

A friend: “You are not afraid because you do not know any better.”

This is a snippet from a conversation I had with a friend of mine last Easter before climbing on to four-wheel drives and setting off across the ice towards Houtskär, a neighbouring collection of islands an hour away. As it was already mid-Spring, the sea ice was decorated by larger crevasses and the sea current had melted through many patches, but the Easter themed dance was worth the risk. A risk that I did not calculate, but one that I was more than willing to take based purely on trust. I had lived on the island of Iniö just over a year by the time of Houtskär’s Easter dance, and I had no idea of just how much of a part of it I had become.



A photo from then journey to Houtskär (Maaranto, 31.3.2018)

Now, after moving back to Helsinki to finish my studies, I have had the opportunity to reflect and understand just how profound of an experience the two years I spent living in Iniö was. Iniö is a relatively remote collection of islands located in the Finnish Archipelago Sea close to the border of Åland. It has around 200 year-round inhabitants, but the population expands radically in the summer months. I originally planned to spend one summer there managing the local shop and guest harbour in the main village of Norrby, but I loved it too much to leave by the end of the summer. Though I was at no point an entrepreneur, the independence that my job offered enabled me to take on an entrepreneurial role and fulfil the societal role of the shopkeeper. This enabled me to get to know everyone who lived in Iniö year-round and become close with many of the local entrepreneurs, which I am immensely grateful for.



The view from the window of the village shop over the Norrby guest harbour (Maaranto, 3.5.2018)

The Easterly adventure to Houtskär was just one circumstance that opened my eyes to the important role the community played in their lives and just how embedded people were. I became aware of the deep sense of belonging that was manifested in both the social and physical context. This duality was well portrayed even just during the trip last Easter. The physicality became obvious once we left the shore and ventured on the ice; no type of formal navigation was needed because my local friends were so connected with their physical surroundings that they knew where the ice is strongest at that time of the year and can separate the islands from each other based on their silhouettes. In other words, they had deep tacit knowledge of the physical environment. Once we arrived, the sense of social inclusiveness was visible. Though almost everyone was related, the locals of Iniö referred themselves as *iniöbo*, and there was a strong, yet positive, separation from the locals of Houtskär.

The process of becoming embedded, and especially the role the social and physical environment plays in it, is something I have a personal interest in. I was alarmed at how quickly and how strongly I felt connected to Iniö, almost as if I was a true *iniöbo*. This made me think; if belonging to a community makes me feel comfortable in externalizing personal risks, what is the impact for local entrepreneurs? Would they also start making irrational decisions, or were they more capable of separating the professional from the personal? The personal interest I had towards the topic was in line with my academic studies on *entrepreneurship* and *innovation management*, and the combination of these two elements was a natural starting ground to build this research on.

The time I have spent in Iniö has enabled me to give my Master's thesis a strong practical dimension, and myself a sense of meaningfulness. At the core of this research is the belief that rural areas in developed countries have a vast amount of value now, but in the future too. Though they have felt the impacts of economic development, there is still hope. Schumpeter's gale, or the idea of *creative destruction*, suits this context of rural entrepreneurship. The struggle of traditional industries enables the creation of something new and innovative entrepreneurship could be the key to this success. That is why my concentration for the collection of primary data has been on fresh and less experienced entrepreneurs.

1.2 Background

As an increasing majority of Finns live in an urban environment, similarly to most other developed countries, it may be difficult to believe that rural entrepreneurship is not only a relic of the past agrarian society. Though many developed countries, including Finland, have had to tackle the domestic consequences of our ever-shrinking world, rural entrepreneurship is not dead. Urbanization and globalization both have had a huge impact in the demographics of developed countries, leaving many rural areas sparsely populated and with low employment rates. At first glance it may seem bleak for business in rural areas, at a closer look may show a different perspective. According to the 2017 OECD's Rural 3.0 report, regions categorized as rural will have an important role in meeting the major global opportunities and challenges of the 21st century. The challenges rural areas have had to face can be also seen as opportunities. Change can leave behind room for innovation, which is a theme that often linked successful entrepreneurship. As mentioned, rural areas will have to reconstruct themselves in ways to make up for the loss of traditional industries. This type of bricolage is at the core of innovative entrepreneurship, regardless of the context.



The traditional ways of life in a rural setting have been under threat in developed countries (Maaranto, 18.8.2017)

Governmental support increases the success rate of rural entrepreneurship (Saxena 2012), and there are many reasons to advocate this. Rural entrepreneurship does not only support the entrepreneur, it's positive spill over effect increase the economic wellbeing of the surrounding environment and encourage rural development (Korsgaard et al, 2015). Researching rural entrepreneurship and understanding how and why some rural entrepreneurs are successful while others are not will hopefully help with effective allocation of governmental investments in the future.

An entrepreneur rarely functions in a vacuum. An entrepreneur can be heavily impacted by their social network and physical community influence, and vice versa. According to Granovetter's (1973) *social network theory* an individual's personal network is comprised on two different types of relationships, or ties, that can roughly divided into *weak* or *strong* based on the nature of this tie. Granovetter emphasized the importance of *weak ties* in an entrepreneur's personal network, because they enable the flow of new information and resources. *Strong ties*, on the other hand, offer support and legitimacy that is especially important in the earlier stages of the business (Huggins and Thomson, 2015), but may stall growth in the long term.

Becoming embedded in the mechanism where an entrepreneur becomes part of the local structure (Jack and Anderson, 2002), and there is a consensus that social capital is created through the embeddedness process, though there still lacks an exhaustive definition for the term. Akgun et al. (2010) found that social capital is manifested in the ties between the individuals, Burt (1999) refers to social capital being the position an individual has in the network, and Jack and Anderson (2002) feel that social capital itself is a process by which meaningful relationships are built. Though these definitions differ, we know how social capital is created and its consequences; an individual is more strongly consolidated as part of a network, which in turn brings this individual value.

1.3 Research Gap, Problems, Questions and Objectives

Based on the introduction above, it is safe to say that rural entrepreneurship is still a relevant sector for future entrepreneurial research, and there is still a great amount of potential in the rural areas against popular belief. There also seems to be consensus in the literature about the significant role personal networks have in successful entrepreneurship regardless of the location. That being said, location does play a critical role, as an entrepreneur is embedded in a place, not a space. The difference between these two spatial terms is that a place is a location of meaning, from both a physical and social standpoint.

Currently, there is a lack of research on the catalysts of the embeddedness process, so what motivates and/or forces the entrepreneur to become embedded in their surrounding environment. It can be hypothesized that the pressure entrepreneurs experience from both the physical and social dimensions of their spatial environment, or place, play an important role in the embeddedness process. This, in addition to the impact the process of becoming embedded has on the consistency of the rural entrepreneur's personal network, are in need of further research.

To fulfil the gap in rural entrepreneurship research, my thesis aims to answer the following research problems:

The impact that the embeddedness process has on the balance of ties in a rural entrepreneur's personal network so that it is consisted of both weak and strong ties. The connection entrepreneurs feel towards both the physical or social dimension of their environment, or perhaps both of these, and the impact this may have in catalysing the embeddedness process. Is the rural entrepreneur able to adjust their embeddedness level of consciously, or are they just a passenger of the embeddedness process?

The following research questions have been derived in order to tackle the research problems:

How does the social and physical environment of a rural entrepreneur prompt the embeddedness process?

What is the consequence of the embeddedness process on the density of a rural entrepreneur's personal network?

The primary objectives of this thesis are to gain a better understanding of the embeddedness process and the impact it has on the personal networks of rural entrepreneurs. It is important to understand the driving forces of the process, and more specifically the physical and social pressure from the surrounding environment. Consequently, the secondary objectives of this research is to investigate how rural entrepreneurs perceive their physical and social environment, and how they relate to it. The role physical and social forces play in the embeddedness process will be looked into based on how connected and obligated rural entrepreneurs in Iniö feel towards these dimensions of their surroundings. It will be interesting to research whether entrepreneurs in Iniö are able to adjust their embeddedness levels in a way that they avoid becoming under- or over embedded. I also plan to analyse how the rural entrepreneurs in Iniö conceptualize their personal network and how obligated they feel towards their environment.

1.4 Research Design

In order to tackle and answer the research questions above, both primary and secondary data collection have been utilized in this Master's thesis. The overall research methodology is ethnographic, though I have also incorporated autoethnographic elements due to my personal attachment with the place. Primary data was collected via qualitative interviews, in addition to my observations and notes from my experiences. The data collected from the interviews were analysed with an ethnographic lens and with data analysis methods typical for a case study. The empirical data has been enriched with secondary data, which has been collected together in the form of a literature review. The review of literature portrays a comprehensive understanding of relevant themes and topics related to rural entrepreneurship, embeddedness and Granovetter's *social network theory*. The secondary data was used to formulate the conceptual framework. Qualitative research methods in the form of semi-structured interviews were used to gain primary research, due to the need for in-depth information and personal insights from individuals.

1.5 Structure of The Thesis

This thesis paper is constructed of six separate parts, beginning with this introduction section. The following part is an overlook of relevant literature that has been concise into the form of a literature review to offer a background for this study. The third section continues on to explain the methodological approach of the research, in addition to describing the relevant research methods used. The fourth section outlines the primary research data, while the important findings are discussed comprehensively in the fifth section. The final section concludes my research.



View from one of the smaller ferries on Iniö, Dalen-Keistiö (Maaranto, 6.4.2019)

2 Literature Review

In this literature review, I will start by introducing prominent bodies of literature that cover topics related to the physical environment of rural entrepreneurship, such as the physical characteristics of rurality and the main entrepreneurial theories. In the second section, I will tackle the social elements of rural entrepreneurship, and introduce Granovetter's *Social Network Theory* and relevant concepts for rural entrepreneurship such as social embeddedness and social capital.

2.1 The Physical Environment of Rural Entrepreneurship

In this chapter, I will give an overlook of relevant topic related to entrepreneurship and entrepreneurial theories, in addition to addressing the physical environment of rural entrepreneurship, such as location specific characteristics.

2.1.1 Entrepreneurship

Firstly, a short definition of entrepreneurship. Schumpeter's view of entrepreneurship is widely established and appropriate for the modern-day setting. He used the term *creative destruction*, because an entrepreneur is someone who combines existing resources in a novel way to create value (Schumpeter 1934, cited by Aldrich and Zimmer, 1986). Knight's definition of an entrepreneur emphasizes the role of risk taking. To create something new, an entrepreneur must take calculated risks in the hope of reward (Knight 2012, cited by Spinuzzi, 2017).

Kalantaridis and Bika (2006) conceptualize entrepreneurship as gathering factors of production, in addition to contracts with other economic actors, in order to create a network of production and distribution. They feel that the differentiating factor that separates entrepreneurship from management is that entrepreneurs need to be able to make judgmental decisions in the present that will influence the economic processes in the future. Johannisson (1988) promotes the idea of an entrepreneur being an intermediary in a network because of their core function, which is utilizing and organizing resources in a unique way. Greve and Salaff (2003) take a more down to earth mentality and define an entrepreneur as an individual who owns, launches, manages and takes on the risks of an economic endeavour.

2.1.2 Rurality and Locality

The OECD's (Organization for Economic Co-operation and Development) definition of a rural area is a particular space with less than 150 inhabitants per square kilometre. Nevertheless, OECD's report Rural 3.0 (2018) emphasizes the diversity of rural areas and the difficulties of making an accurate and exhausting definition. The OECD divide rural areas into three categories based on their proximity to *functional urban areas*, or FUAs. The first category includes areas that are within a FUA, so they are an established and integral part of the urban area. The second category are no longer part of the FUA's labour market, yet they still have strong linkages. In this case, the rural and urban economies are not integrated, though economic growth in the FUA has a positive impact on the rural economic. The third category is located in a remote area, and the accessibility to a FUA is limited. I would categorize Iniö as being in the third type of rural areas.

Type	Challenges	Opportunities
Rural inside a functional urban area (FUA)	<ul style="list-style-type: none"> -loss of control over the future -activities concentrate in the urban core -loss of rural identity 	<ul style="list-style-type: none"> -more stable future -potential to capture benefits of urban areas while avoiding the negatives
Rural outside, but in close proximity to a FUA	<ul style="list-style-type: none"> -conflicts between new residents and locals -may be too far away for some firms, but too close for others 	<ul style="list-style-type: none"> -potential to attract high-income households seeking a high quality of life -relatively easy access to advanced services and urban culture -good access to transport
Rural remote	<ul style="list-style-type: none"> -highly specialised economies subject to booms and busts -limited connectivity and large distances between settlements - high per capita costs of services 	<ul style="list-style-type: none"> -absolute advantage in production of natural resource-based outputs -attractive for firms that need access to an urban area, but not on a daily basis -can offer unique environments that can be attractive to firms and individuals

The OECD divides rural areas into three subcategories to help conceptualize the term, Source: OECD Rural 3.0

The conceptualization of rurality is rather vague and varies, but several authors do try. For example, Tregear and Cooper (2016) define a rural area as an area characterized by attributes such as low rates of population in and out -migration and difficult accessibility, and from a firm perspective long physical distance to end markets and lack of critical mass. In his paper, Bosworth (2012) takes a rather arbitrary take on a rural area being any kind of settlement that can be classified as smaller than a town, but later emphasizes that a rural area should not be looked at from only a spatial stance.



The archipelago is classified as a rural area, as it is characteristically difficult to access without a boat and then too at the mercy of weather conditions (Maaranto, 16.5.19)

2.1.3 Rural Entrepreneurship

Wortman (1990) defines rural entrepreneurship as the creation of an organization that brings a novel product to the market, serves and creates a new market or is able to utilize new technology in a rural environment. The emphasis then being on the physical environment. Henry and McElwee (2014) emphasize that the differences between rural and urban entrepreneurship is subjective, especially when the focus should be put on the endogenous and exogenous factors that shape the entrepreneurial process. It would seem that the endogenous characteristics, such as the personal traits and strengths of successful entrepreneurs, are similar regardless of the physical context. The exogenous factors, such as the previously mentioned physical context, are the differentiating characteristics that have the largest impact on the start-up, growth and failure rates of a rural enterprise, which is in line with Wortman's (1990) definition.

Korsgaard et al. (2015) define rural entrepreneurship as entrepreneurship with an “value-added”, such as the socio-spatial context of the rural setting. They continue to state that a rural entrepreneur engages with their location not only as a source of income but as a place with personal meaning, while combining new combinations of existing resources to create value for both themselves and their environment. Kalantaridis and Bika (2006) on the other hand, state that rural entrepreneurship should be defined as any type of entrepreneurship that occurs in rural areas, which they define as a territory characterized by small population settlements relative to the national average and physical large open spaces. Korsgaard et al. (2015) criticizes this view, as they feel that it does not give enough credit to the potential importance the spatial context may have. The importance of both space and place will be discussed in more depth in a further chapter.

From an entrepreneurial standpoint, Stathopoulou et al (2004) feel that rurality should be considered as a dynamic entrepreneurial resource that has a role in shaping both the opportunities and constraints. Rural entrepreneurship is comprised of both the entrepreneurial process itself and the environment with which the entrepreneurs interact with. Henry and McElwee (2014) and Pato and Texeira (2017) both refer to a rural venture as a business that is located in a rural space and uses a work force consisting of local residents, while both using and producing local services and generating an income flow to the rural environment.

2.1.4 The Different Dimensions of Rural Entrepreneurship

Entrepreneurship has a strong correlation with rural development (Saxena, 2012) and it is viewed as a powerful engine of sustainable economic growth and general wellbeing in rural areas (Akgun et al. 2010). Stathopoulou et al. (2004) list location, natural resources and landscape as the three main components of the physical environment that have a significant impact on entrepreneurship. They define location as distance entrepreneurs have from their target markets and potential customers, as well as the easy access to suppliers, sources of information and relevant institutions. Due to the remote nature of their location, which is something that defines rural entrepreneurs, potential transportation costs are higher than those of their urban counterparts. Nevertheless, recent advances in information technology in addition the relative decrease of transportation costs have opened possibilities for new business sectors to shift from urban to rural areas. Many national policymakers in developed countries have also created financial incentives for companies operating in rural areas,

because rural entrepreneurship is one of the core elements of rural development (Tregear and Cooper, 2016).

In many instances, the natural resources and preserved landscapes can also be carrying force of rural entrepreneurship. Stathopoulou et al. (2004) point out that the uniqueness of a certain rural area may also act as a competitive advantage for an entrepreneurial opportunity. OECD's 2018 report Rural 3.0 also emphasized the potential rural areas may offer, such as mineral resources, fertile soils, national parks and high amenity landscapes. Multiple examples of the valorisation of these attributes can be found in the tourism industry, where local entrepreneurs have been able to extract value from their surroundings or a natural characteristic and turn it into an experience worth paying for. An example of this is tourism in the mountainous regions, such as the Himalayas. Investments in infrastructure in addition to the local expertise has enabled significant revenue generation (Singh, 2004). This has not come without a price, which is an interesting topic that would merit a thesis of its own.



Governmental investments have been made to entice tourists, such as the guest harbour in Norrby, Iniö which was funded by the City of Parainen (4.5.2018)

The remoteness and distance of a certain area may have an important role in the preservation of a unique cultures and production methods. They use the term valorisation to express the process of utilizing local quality added value, such as local materials or location specific environmental conditions, in the process of exploiting local potential. Korsgaard et al. (2015) also discuss location-specific advantages as being unique opportunities for entrepreneurship if utilized correctly. The successful recombination of rural resources can generate value for both the entrepreneur and the surrounding places. The concern and emotional attachment that some individuals feel towards region specific characteristics can also motivate entrepreneurial activities. Korsgaard et al. (2015) start their article by introducing John Sorensen, who produces jam from berries that he grown in his own orchards

on the remote Danish island of Stryno. The physical characteristics of the island have a positive impact on the product with the recipes being co-developed by local amateur jam-makers has helped put John's jams on the shelves of specialty stores all over Denmark. This relatively small jam venture on a remote island of Denmark is a good example of an entrepreneur being able to extract value from their spatial context.



The archipelago is a popular destination for tourism and a coveted location for a summerhouse because of the scenic views and rugged nature (25.6.18)

2.1.5 The Role of Space versus Place

As mentioned previously, Korsgaard et al. (2015) emphasize the importance of spatial context in the research of rural entrepreneurship as it is often linked with the element of place, and social ties and emotional attachments. They feel that understanding the concepts of space and place is crucial, because the specific spatial characteristics are what determines and separates rural entrepreneurship from other types of entrepreneurship. Korsgaard et al. (2015) cited by Tuan (2007/1997) when further discussing the importance of both a space and a place. A space is characterized more by economic return, while a place has a deeper and emotional meaning. Places are highly localized, with residents, or other individuals, building personal attachments to the unique qualities of a certain place. The emotional attachments entrepreneurs feel towards a particular place can also be a catalyst and source of inspiration for new venture development (Lang et al. 2014).

Korsgaard et al. (2015) continue to summarize their chain of thought about the different dimensions of space and place by stating that a place is more than just a physical location. They feel that a place is built of and determined by the social relations that are engaged with the location, as well as the practices that take place in that particular place. Both of these elements are shaped by the unique material and natural environment of a particular area, which ultimately makes the recreation of a place only possible if the complex relationships between the social and material are taken into consideration. The spatial context of place and space can be actualized in one individual; the entrepreneur may engage with a place on a personal level while their venture engages with a space from an economic standpoint. Kalantaridis and Bika (2006), on the other hand, discuss the problems related to the conceptualization of the local. Locality can be defined by both physical and emotional constraints, and is not always just a geographical location. Each entrepreneur has a personal conception of what they feel is local or locality as a whole, and it would seem that these perceptions have a great variation. The term relational distance is introduced to explain why geographic location is not always as defining of a factor as it may seem.

Kibler et al. (2015) feel that the difference between having an emotional attachment while ‘caring about’ a particular place and having more of an instrumental approach, so ‘using’ the place, should be better established. The difference between a place and a space is based on the level of personal attachment the entrepreneur feels towards the location. This ties into the following discussion on rural entrepreneurship in comparison to entrepreneurship in the rural. Lang et al. (2014) have a similar take on the difference between place and space, with space taking a more capitalistic view on location being characteristic primarily by its economic and profit-seeking potential.



The difference between a space and a place can be found in an individual's attitude towards that particular area (24.9.17)

2.1.6 Rural Entrepreneurship versus Entrepreneurship in the Rural

Based on their discussion of space and place, Korsgaard et al. (2015) introduce a subcategory of rural entrepreneurship, which they conceptualize as *entrepreneurship in the rural*. This type of entrepreneurship regards the rural primarily as a space for profit and the entrepreneurial activities that take place in these types of areas are most prominently motivated by economic gain. The location that the entrepreneurs are acting in is chosen based on the possible advantages it offers for the business or entrepreneurial activity, and emphasis is not put on any other types of potential benefits.

The outcomes of the ventures motivated purely by the economic outcomes have less of an impact to the development or wellbeing of the area, but there may be positive so-called spill over effects. These are not sought out by the entrepreneur, and can be seen as type of by-product. Entrepreneurs in the rural can be active in various fields for a plethora on different reasons. For one, rural entrepreneurship has proven to have a positive impact on rural development, which is why various national policies are in place to act as an incentive for business owners to transfer their operations from more urban locations. Another reason is down to the individual characteristics that any particular rural offer. The local population may not have the financial capability or knowhow to utilize a certain element of the area, which can be the case in the mining or tourism industry for example. According to their research, rural entrepreneurship that is genuinely place-based has a more profound impact on the surrounding rural areas than ventures based on an economic space (Korsgaard et al., 2015)

The main difference between rural entrepreneurship and entrepreneurship in the rural can be found in their level of embeddedness. Granovetter (1985) mentions as part of his *social network theory*, that economic activities and social context cannot be separated and that economic activities need social relations to be successful. This is particularly relevant in rural areas, where embeddedness can potentially enable entrepreneurs to start-up, survive and succeed in their ventures (Akgun et al, 2010). According to Akgun et al. (2010), a rural entrepreneur is an individual who engages in social networking and is heavily influenced by it, they are also community-based and are affected by the social traits of their rural place.

2.2 The Social Environment of Rural Entrepreneurship

Based on the literature on rural entrepreneurship, it is obvious that rurality is more than just a physical characteristic. As mentioned, economic activities cannot be separated from their social context (Granovetter, 1985), and this is a prominent element in rural entrepreneurship (Akgun et al. 2010). I will start this section by introducing Granovetter's seminal *social network theory*, which will set the theoretic boundaries for my thesis. I will then continue to introduce relevant topics related to the social environment of entrepreneurs, such as the *network approach*, *embeddedness* and *social capital*.

2.2.1 The Social Network Theory

Granovetter started working on building a theory to conceptualize social networks in the 1970s, because he felt that at that time mainstream sociological theory did not give credit to the impact micro-level interactions has on macro-level patterns. Granovetter (1973) believed that everyday interactions between individuals had an important role in acting as bridges and enabling the formation of large-scale networks. Granovetter (1985) argues that social context and networks have an impact on virtually all human behaviour, making even the most rational decisions in the business world based on more than just rational choice.

The core statement of the *social network theory* is that our weak ties are less likely to have any type of social relationship with one another than our strong ties would (Granovetter, 1985). The term weak ties refers to a relationship between two individuals that would classify themselves as acquaintances, while strong ties are built between close friends (Granovetter, 1973). He emphasizes that the distinction between the two types of ties, but rough intuition is a sufficient measure when evaluating whether a ties is either strong or weak. These ties can also be referred to as bridges because they symbolize an individual being able to cross over from their social context to realities and resources hitherto unused (Granovetter, 1973). Uzzi (1996) categorizes these ties as either arms-length or embedded, based on the nature of their professional relationship. Social ties connect both individuals together into social networks in addition to enabling a relationship between separate social networks (Granovetter, 1985).

Networks are defined as the totality of all persons connected by a certain type of relationship (Aldrich and Zimmer, 1986). Granovetter (1973) divides social networks into either high or low density, based on the strength of the tie that links the network members to each other. Aldrich and Zimmer (1986) measure the density of a network by comparing the total number of ties visible to the amount if everyone in the network would be connected to everybody else. A network with a majority of strong ties and a high rate of connections is characterized as high density and vice versa for low density networks. An example of a high-density network would be a group of close friends that have known each other for a length of time or are tight for other reasons. These individuals are connected with strong ties, which on one hand increases trust and loyalty (Granovetter, 1985), but on the other hand may curb the flow of novel information and resources. This is because you are most probably a close friend to someone you call a close friend, and thus are highly influenced by each other. (Granovetter,

1985) If the network is too closely-knit, there may not be enough room for the flow of novice information.

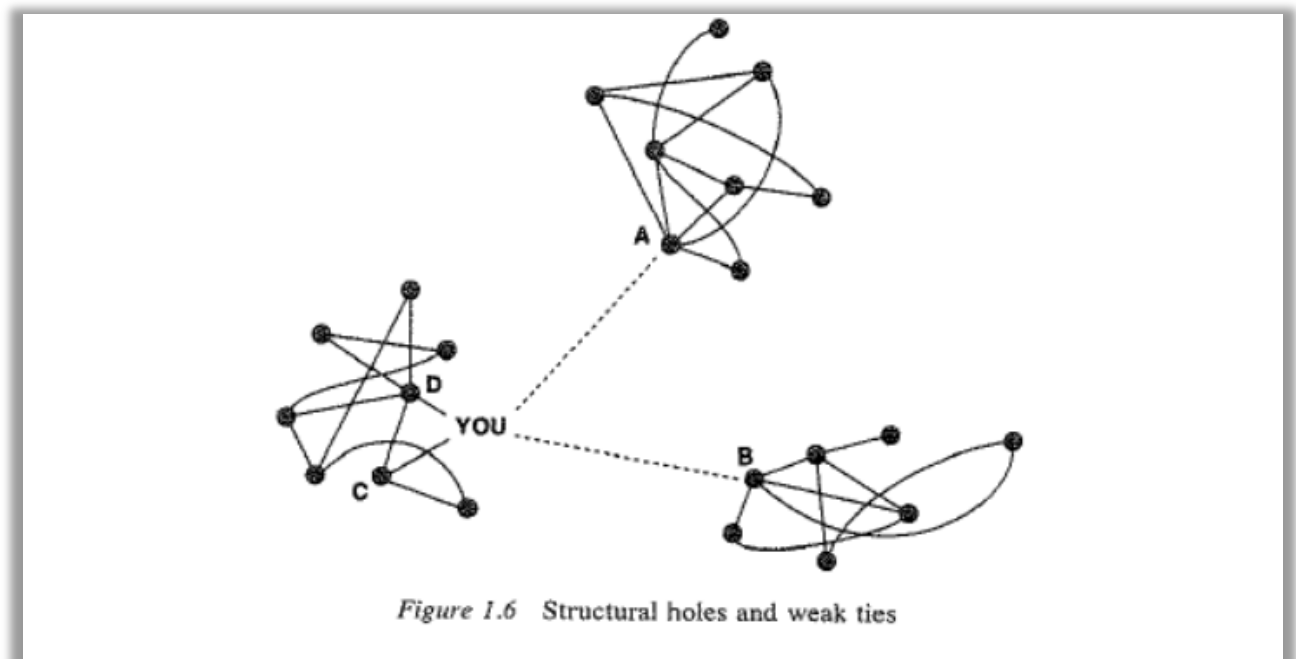
Individuals with few weak ties will be deprived of information from distant parts of the social system and will be confirmed to the provincial news and views of their close friends (Granovetter, 1983)

Therefore, according to Granovetter, at the core of the *social network theory* is the *strength of the weak ties*. Weak ties enable to flow of information and innovation both inside a particular network and between different networks. The possibility for members of different networks to gain contact is an important aspect of the theory (Granovetter, 1973). According to Aldrich and Zimmer (1986), entrepreneurs utilize their weak ties primarily to gain access to business information and for attracting customers, both being critical functions for a sustainable business venture. Aldrich and Zimmer (1986) introduce their take on the issue as the Weakness of Strong Ties, where an individual puts too much weight and value on the information gained from someone they have an emotionally close relationship to

Burt (2005) refers to weak ties that connect networks as structural holes. He too believed that information is most effectively transferred inside a network, or social structure, and those particular individuals have taken on the role of gatekeeping the flow of information between these structures. Burt's and Granovetter's take on the issue is very similar, but there are some fundamental differences. Burt does not believe that the nature, or strength, of a ties determines whether they can act as a structural hole, while Granovetter emphasizes the value of weak ties.

Birley and Cromie (1988) link the *social network theory* with the entrepreneurial process, by stating that the core function of an entrepreneur is to gather scarce resources from their environment to create value. From an entrepreneurial standpoint, weak ties enable aspiring entrepreneurs to gain insights and expertise about running a business in general and in a particular area or field. Ostgaard and Birley (1994) state that, from an entrepreneurial standpoint, the core assumption of the *social network theory* is that an aspiring or new entrepreneur has yet to develop their network in a way that they would gain access to latent and valuable resources that cannot be internally generated. The creation of a personal network with value is a complicated process, that is difficult to conceptualize or be artificially fabricated (Johannisson, 1988). It should be mentioned through, that relevant networks are not limited by geographical constraints and may have a strong sectoral context such as Tregear and

Cooper's (2016) case of *Shellco*, a small shellfish cooperative based in rural Scotland, where the networks were created between businesses active in the same business sector, though physically being far apart.



This figure visualizes both the irregular nature of social networks in addition to the weak ties connecting the structural holes that link networks to each other. (Burt, 1999)

Greve and Salaff (2003) emphasize the important role social relations play in the early stages of establishing a firm, and divide the process of establishing into three phases. Social capital is needed in all stages to access latent resources, but it is most emphasized in the first stage when the entrepreneur seeks legitimacy and support from their strong ties. In the second phase, the entrepreneur expands their network violently, with the help of their weak ties and the last phase concentrates on reducing the size of their social network to consist of the most relevant members so essentially consolidating weak ties. Stam et al. (2014) also found that one of the core benefits of having a versatile network was that the entrepreneur could utilize it differently depending on which stage of the entrepreneurial process they are in. They found that the strength of the weak ties was most visible in the earlier stages of a venture, while strong ties were valued more in older, more established, companies.

Carolis et al. (2009) discuss the importance of both social capital and cognition for an entrepreneur, and the positive impact these characteristics have on each other. For example, a supportive network can increase particular cognitive characteristics of an entrepreneur, which consequently helps with networking and potential utilization of weak ties. Liu et al. (2017) bring the social network theory to the current world we are living in. An increasing amount of interaction and communication takes place via new media and social networking sites. These online platforms have created the increase of online weak ties where interaction is easy; though researchers lack a consensus on how weak ties in the online world correspond to weak ties present in an entrepreneur's physical social network. Huggins and Thompson (2015) emphasize the role of weak ties in accessing information in the early stages of the venture, but the knowledge accessed can only be efficiently utilized if management systems are in place. This means that the entrepreneur has to build themselves internally before accessing resources externally.

2.2.2 The Network Approach

Building on the *social network theory* it is relevant to introduce the *network approach* introduced by Johannisson (1988). The approach also discusses the different characteristics networks may have but emphasizes the important role that personal networks play in successful entrepreneurship. Aldrich et al. (1987) also highlight the significant role social networks play when both creating and sustaining new ventures.

Johannisson (1988) states that an entrepreneur should be both autonomous and externally controlled so be able to handle both independence and dependence. At its best, an entrepreneur's personal network can generate new venture, act as an evaluator of proposed new projects as well as being a safety net for ventures being launch. Ideally, an entrepreneur should be able to use their personal network to attain all resources that cannot be internally generated. For this to happen, though, the network must be diverse, and possess a combination of both weak and strong ties (Johannisson. 1988). In addition to the previously mentioned benefits of weak ties, Johannisson (1988) discusses the value close and meaningful relationships can bring to entrepreneurs. These relationships create trust, which is a characteristic that contractual business contracts try to replicate. Though formal contracts record and monitor transactions, trust is built through personal ties and cannot be fully reproduced. This is why the personal characteristics and attributes of an entrepreneur are so important, as they enable them

to enact with their surrounding social environment. In addition to creating trust, strong ties justify and reassure decisions made by the entrepreneur (Johannisson, 1988). By building and maintaining successful relationships an entrepreneur can embed themselves as part of their environment and gain social capital. Social capital is strongly linked to trust, and will be discussed further later in the following chapter.

2.2.3 An Overlook of Social Capital and Embeddedness

The following chapter will aim to give an overlook of both social capital and embeddedness while introducing the different perspectives bodies of literature have chosen to take on the concepts and the processes that surround them. Embeddedness and social capital could have been separated into different chapters, but I have decided to tackle them simultaneously. This is because they seem to be different aspects, or characteristics, of the same phenomenon, with embeddedness relating to the physical process of becoming part of the social context while social capital refers more to the value that is generated from the ties that are enforced through the embeddedness process.

Burt (1999) introduces social capital as being the reason behind why some people seem to succeed by being better connected with other people. Social capital is vaguely conceptualized as the position in which one is situated in a social network, and can prove to be an asset if this position is advantageous. As an example of the way social capital is concretized, he introduces the pricing difference between a perfect and imperfect market. In a perfect market, there is only one price, but in an imperfect market there may be multiple prices, due to the disconnections between individuals that hinder the flow of information. The imperfect market consists of different people who all have varied types of relationships with each other, with some relationships being characterized by trust and reciprocity and other lacking these attributes. Assets tie into these relationships, with an individual's position in the whole structure being a potential source of value. This position, or asset, is social capital, because a better location can lead to more value, and in this example, a lower price.

Stathopoulou et al. (2004) emphasize the importance as trust as a defining factor and characteristic of social capital, while Akgun et al. (2010) defines social capital as the strong local and external ties that connect agents in the network. A network is comprised of people that are connected to other people on different levels, people who both trust and lack trust and people who feel obligated to help and support other members of the network (Burt, 2005). Building on this notion, it is important to emphasize that social capital is not distributed evenly throughout the network but is concentrated in the individual ties.

Social capital is the benefit that is derived from the underlying social structures or social networks (Anderson and Jack, 2002), which in other words is the potential positive output an entrepreneur may gain from their network comprised of both personal and professional contacts. It is intangible and relational and is impossible to replicate, unlike other types of capital (Flora, 1998). Though it is referred to as capital, Dahl and Sorensen (2012) point out the core difference with other types of value, which is that social capital is very much linked to its social context and more specifically the individuals involved and cannot be transferred or traded in a way that it maintains its value. According to Granovetter (1985), social capital is embedded as an inseparable part of the social structure, and this is visible in group dynamics, for example, where community members feel obligated to contribute to the group while receiving benefits. Anderson and Jack (2002) have a different take on the conceptualization of social capital. The start by questioning Powell and Smith-Doerr's (1994) well-established duality account, where social capital is conceptualized as both the glue that binds to create a network and the lubricant that enables internal synergies inside the network. They feel that social capital is itself a process, by which meaningful relationships are built.

Uzzi (1996) refers to embeddedness as a logic of exchange that shapes the motivations and expectations of entrepreneurs and enables the adaptation to their environment, while being the missing link between sociology and economic actions in a business context. Jack and Anderson (2002) define embedding as the mechanism by which the entrepreneur becomes a part of the local structure, and thus is able to bridge structural holes, or act as a weak tie, and potentially gain new resources and opportunities. Embeddedness from an entrepreneurial standpoint can also be seen as a way of creating a link between social and economic spheres with the social bond easing the access to economic opportunity (Jack and Anderson, 2002).

Granovetter (1985) conceptualizes embeddedness as the process in which social relations have an impact on economic action. In the past, the importance of social context has been disregarded by mainstream economic theories. Though the relevance of embeddedness is currently acknowledged, there is still a debate to what extent embeddedness impacts concrete economic actions (Uzzi, 1996).

2.2.4 The Process of Becoming Embedded

Social capital is created through the process of becoming embedded (Flora, 1998). This process is the mechanism by which an individual, such as an entrepreneur, becomes part of the local and social structure (Flora 1998, Granovetter 1985, Jack and Anderson 2002). One way of looking at embeddedness is it being a process with social capital being the goal (Flora, 1998). This would imply that social capital is the product of the embedding process, with the social capital being an asset of value, hence the term capital. Jack and Anderson (2002) deepen the concept of embeddedness by stating that it is more than just developing social networks. It contains having a comprehensive understanding of the structure within they are acting, being able to enact and reenact inside the structure in order to create new ties while simultaneously maintaining the individual ties and the structure as a whole.

The creation of social capital through the embeddedness process is difficult to conceptualize. In their research, Jack and Anderson (2002) found social embeddedness to be the process of joining the structure, and involved the following elements: gaining an understanding of the structure, enacting inside this structure to gain new ties and making sure that these actions maintain both the individuals links and structure as a whole. In practice, Jack and Anderson (2002) noticed this process can be achieved in different ways, all depending on the entrepreneurial individual in case and their background. Nevertheless, they emphasize the importance of being embedded in a physical area and found that embedding actions lead to an increased level of local information, credibility and easy access to latent resources. Becoming embedded is a vital part of the entrepreneurial process; it achieved through the successful utilization of an entrepreneur's personal networks. Hence, Anderson and Jack (2002) refer to social capital also as a so-called networking capital. This is in line with Johannisson's (1988) view of an entrepreneur as a *networking man*, where he states that an entrepreneur's personal traits and capability to utilize his network is something that can make or break a venture.

The vagueness of the embeddedness process, and more specifically the impact being embedded has on the economic outcomes, are issues that Uzzi (1996) addressed in his research. He suggested a logic of exchange, where the entrepreneurial actors concentrate more on building long-term relationships rather than immediate economic gain. Once a trustful and cooperative relationship is formed, space is built for thick-information exchange. Even though the process of building strong ties may hinder pure economic gains, Uzzi (1996) suggests that in the long-term embeddedness could increase economic efficiency in different sectors, such as organizational learning, risk sharing and speed-to-market. Carolis et al. (2009) found that the social capital entrepreneur's gain from being embedded in a network shape their cognitive characteristics, such as illusion of control and risk propensity, which consequently effects the process of launching a new venture. Jack and Anderson (2002) emphasize the complexity of the embeddedness process, and state that it is a two-way system between the local environment and entrepreneur, and at is best can create a mutual respect where unique knowledge, credibility and knowledge is shared.

2.2.5 Embeddedness in the Entrepreneurial Process

Jack and Anderson (2002) emphasize the importance of taking the social context into consideration when inspecting the entrepreneurial process. This is because the entrepreneurial process is comprised of much more than just pure economic actions. The context in which the entrepreneurial action takes place has a significant impact on the entrepreneurial outcomes, making it inaccurate to assume that an entrepreneurs act in isolation or in a kind of vacuum separated from their surroundings (Aldrich and Zimmer, 1986). People are constantly influenced both actively and subtly influenced by their significant others in their environment, such as their friends, family, co-workers and acquaintances. As mentioned by Granovetter (1985) social ties cannot be separated from business, and entrepreneurs should seek to find a balance between pure rationality and excess embeddedness.

Aldrich and Zimmer (1986) propose that entrepreneurship is embedded in networks of continuous social relations. This network can both facilitate and constrain as it links together entrepreneurs, resources and opportunities. Jack and Anderson (2002) found that becoming embedded in the social structure gave entrepreneurs a level of contextual awareness. This awareness provided them with information and resources that would have otherwise been difficult to attain, which can be transformed into concrete value.

Research conducted by McKeever et al. (2015) shows that embeddedness is created through place-specific social bonds. Being part of the community is something that entrepreneurs are aware of, and they do not seem to see themselves as separate, but as being immersed in the community. Kalantaridis and Bika (2004) conclude their paper with the introduction of the term *relational distance* and the question: *embeddedness to what?* This because though the important role that embeddedness plays on the entrepreneurial process has been acknowledged, there is a need for an exhaustive explanation of how exactly it occurs and where it is manifested in and it cannot be assumed that an entrepreneur can and will embed themselves in the rural context.

2.2.6 The Benefits Being Embedded

The creation of social capital and embeddedness is difficult to conceptualize. In their research, Jack and Anderson (2002) noticed that embeddedness can be achieved in different ways, all depending on the entrepreneurial individual in case and their background. Nevertheless, they emphasize the importance of being embedded in an area, and found that embedding actions lead to an increased level of local information, credibility and easy access to latent resources. Uzzi's (1996) fieldwork showed that embedded ties are built through stages and is most successful when initiated by a third person, or a go-between, who has knowledge about both parties. The go-between can also be referred to as a *structural hole* (Burt) or a *weak tie* (Granovetter).

Tregear and Cooper (2016) highlight the important role tacit knowledge plays in a rural setting. Tacit knowledge is the specific knowhow that is generated through practice and experience, and it is difficult to transfer or communicate from one to another. Most of the time people do not realize that they possess tacit knowledge due to its relative and immaterial nature, but they notice when someone acts in a way that is not according to the norms built around the specific tacit knowledge. In return for this local knowledge, embeddedness can bring innovation to the market which can be a rare event in rural areas (Akgun et al. 2010). From a more personal standpoint, embeddedness can help the entrepreneur build a life according to their own wishes and needs, and thus increasingly their general well-being (Akgun et al. 2010).

Being embedded in an important part of the entrepreneurial process, and it can be achieved through the successful utilization of social networks. This is especially true in a rural setting, where resources may be scarce and markets small. Having a close relationship with the local community or, even better,

becoming part of the rural community, enables a better access to resources and both psychological and physical support (McKeever et al. 2015). Local rural entrepreneurs are also more able to cater for the needs of their community because they have an intricate understanding of the social context and local needs that other ventures may lack (McKeever et al. 2015). Entrepreneurial embeddedness yields place-specific information about the market, the labor market, potential business opportunities and political priorities (McKeever et al, 2015). The importance of customer loyalty increases when the customer base is confined, such as in the case of small rural communities, which may put pressure on the entrepreneur to concentrate on customer retention (Korsgaard et al. 2015).

Ideally, embeddedness can lead to a higher rate of economic efficiency and an increase of organizational learning risk-taking and speed-to-market (Uzzi, 1996). Akgun et al. (2010) stress that engaging with the local context is more important than having any other type of relations as it can potentially help and support at all stages of the business. However, it must be emphasized that the benefits of embeddedness only seem to occur up to a certain point, which Uzzi (1996) refers to as the *embeddedness threshold* and Tregear and Cooper (2016) the *over-embeddedness effect*.

2.2.7 The Challenges of Being Embedded

One of the core challenges of embeddedness is finding the right balance, or embeddedness level. This is especially the case for entrepreneurs acting in rural areas, as they often need to take on several different roles (Pato, 2018). Uzzi (1996) emphasizes that not all types and all levels of embeddedness have a positive impact on the economic outcomes of an entrepreneur. He introduces the concept of an *embeddedness threshold*, where the negative impacts of being embedded outweigh the positive influences. In the example of highly embedded networks, feelings such as obligation, friendship and the fear of letting someone down may be so deeply rooted that these emotions completely override the economic realities. Many times this can happen without the entrepreneur even noticing. If the entrepreneur continues to engage in this type of highly embedded relationship there is a great possibility for economic failure for their venture, because there is a risk that it is wandering too far away from the surrounding realities. Entrepreneurs must try to find a way to avoid crossing this threshold. It is important to have close ties with their surrounding community and ecosystem, but not in a way that it blinds them from the economic realities of the real world that their community ecosystem is ultimately a part of.

Communities should also welcome some in-migration to avoid the stagnation of ideas and learning processes (Tregear and Cooper, 2016). The so-called *over-embeddedness effect* is visible in communities with a long heritage and stable populations, where strong ties between the members lead to the loss of novel ideas and innovation. People become set in their ways and are unwilling to even contemplate change. There is a possibility for certain community members to have high level of authority that is not necessarily based on their expertise. Other members of the community, including rural entrepreneurs, may start backing the opinions of these prominent members without questioning them. This blind trust based on their perception of the person or persons can lead to unfavourable economic situations for the entrepreneur. Stam et al. (2014) express the importance of flexibility in the embeddedness process; entrepreneurs should be able to adjust their level of embeddedness, so adapt their social capital, in a way that it can accommodate the changing need for resources.

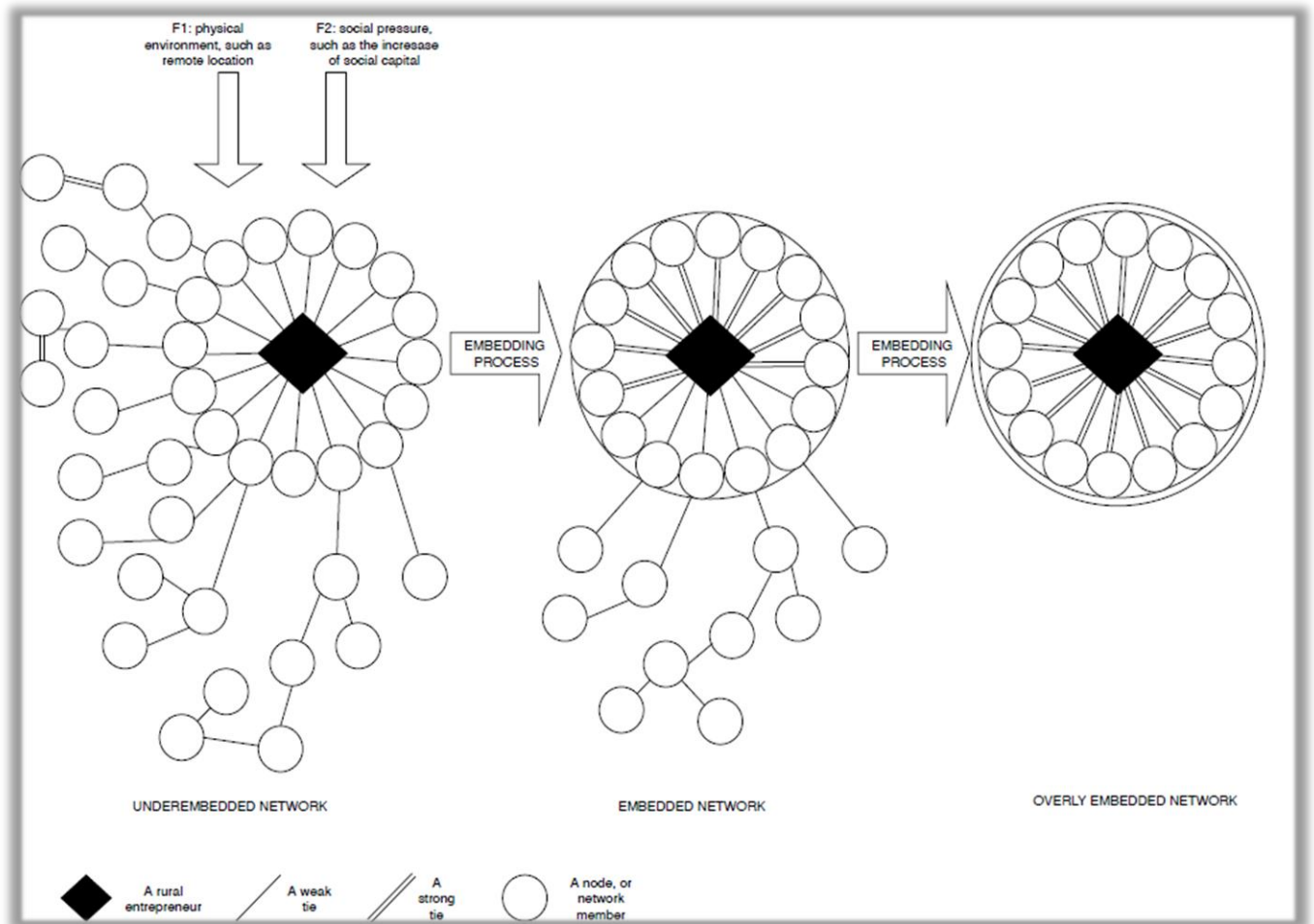
Greenberg et al. (2018) divide embeddedness in rural areas into two layers; local and extra-local which they call a double-layered embeddedness. Ideally, a rural entrepreneur should be able to balance between being an embedded local member of the community, but also be able to expand their customer base outside of the region of which they are a member. In other words, their business operations should be built on both endemic and inter-regional networks. Granovetter (1985) discusses embeddedness as a network of social ties that discourages malfeasance and encourages trust. He feels that all type of business and social transactions demand some type of trust, which is built through relationships. It would seem that the challenges entrepreneurs face when being too embedded in their social context are similar to the challenges of operating in a highly dense network characterized by strong ties that was discussed as part of the *social network theory*.

2.3 Conceptual Framework

Various sources used in this literature review emphasized the importance for entrepreneurs to have a varied network that is consisted of both strong and weak ties (Burt, 1999, Granovetter, 1973, Uzzi, 1996) . This is due to the fact that each ties can offer unique benefits. Strong ties offer trust, legitimacy and a reliable customer base, while weak ties offer novel resources, skills and information. It would seem plausible that, in rural areas, weak ties can be enforced and turned into strong ties with the help of the embedding process. This is due to both the physical and social characteristics of rural entrepreneurship; rurality acts as a force by setting physical boundaries while the social atmosphere is a force on its own. Weak ties can be transformed into strong ties through the embeddedness process, where the entrepreneur becomes part of the local structure.

Finding the right level of embeddedness is something that an entrepreneur should consider. If the embeddedness level is too low, or underembedded, the entrepreneur's personal network can be characterized as being *low density* so having too few strong ties in relation to their weak ties. If the embeddedness process is taken too far and continues past the so-called *embeddedness threshold*, the entrepreneur's personal network becomes too *high density* and lacks the benefits that weak ties can offer.

This conceptual framework visualizes the embeddedness process as being the movement from a low-density network towards a high-density network. The two forces that inaugurate the process are the unique physical and social constructs that affect rural entrepreneurs. The aim is for an entrepreneur to have an embedded network, which can be reached through the process of becoming embedded by adjusting the physical and social forces accordingly. The key is finding the right balance of force. This framework also visualizes the simultaneously autonomous and externally controlled role an entrepreneur must take on (Johannisson, 1988).



The theoretical frameworks visualizes the embeddedness process of rural entrepreneurs, with the driving forces being both the social and physical environment. This portrays the role that rurality has on the personal ties of entrepreneurs, with weak ties merging into strong ties due to the pressure put on by the rural location and social environment (Maaranto, 2019)

3 Methodology

The following chapter will outline the methodological decisions I have made in order to gain sufficient and relevant information to address the research questions, which are related to the social networks of rural entrepreneurs. As proposed by Eriksson and Kovalainen (2008), methodology as a philosophical concept seeks to answer the question: *How can knowledge about a given issue or problem be produced?* The core function of this methodology chapter is to describe how I have decided to tackle and answer the chosen research questions or, in other words, the methods I have decided to use.

The chapter starts with an overlook of the theoretical viewpoint, before continuing to explain the research design. I will then give an outline of the chosen research methodology; focused ethnographic methodology with autoethnographic elements, and the reasons behind this choice. This chapter will conclude with the methods of collecting data.

3.1 Theoretical Viewpoint

Ontology sets off to answer the question: *What is there is the world?*, as it concentrates on the general existence of people, society, the world and the relationships binding us all together (Eriksson and Kovalainen, 2008). The research in this particular thesis takes on a subjective ontological assumption, which means that the things in the world are dependent on the personal opinions, context and viewpoint of each person. It is important to emphasize that the reality perceived by individuals differ, because in a way each reality is unique; it is highly dependent on personal interpretations (Blaikie 1993, cited by Eriksson and Kovalainen, 2008). A subjectivist view on ontology is also referred to as constructionism. Matters worth looking into are part of the social construct, and thus often taken for granted. Many daily and even mundane aspects of our lives are the product of social and historical processes (Hermans, 2002).

According to Eriksson and Kovalainen (2008) the core philosophical question that epistemology asks is: *What is knowledge and what are the sources and limits of knowledge?* The function of epistemology is to define what knowledge is in addition to its availability and constraints. As with ontology, epistemology can also take a subjectivist role, where the basic understanding is that one is unable to access an objective reality clear of one's personal interpretations (Eriksson and Kovalainen, 2008), which is also the case in my research. Reality, as such, can be seen to be a socially constructed ensemble, and can be portrayed in as many ways as there are interpreters. Due to the social nature of my research subject, I feel that it is important to emphasize the subjectivity from both ontological and epistemological standpoints.

3.2 Research Design and Methods

The literature review that is comprised of secondary data acts as a theoretical base on which primary data collection can be built on. The topic of the research is personal and the primary data collected is very much around the personal experiences that rural entrepreneurs face and their personal attitudes towards these experiences. The nature of the research topic made me feel inclined to choose a qualitative research method for data collection, which is something that is recommended in relevant literature such as Brinkmann (2013). The topic, as such, touches on the personal feelings and opinions the local entrepreneurs have regarding important aspects of their life so the initial choice to engage in a qualitative research method versus a more quantitative take was a natural one.

The topic of rural entrepreneurship is being researched through the feelings and opinions collected from a relatively small sample of local entrepreneurship, so it is difficult to determine it as purely deductive. The collection of primary data happened through interviews based on the theoretical framework after which the data was analysed through the lens of the researcher, so myself in this case. My personal experiences living and working with an entrepreneurial role, and consequential potential personal biases, are characteristics of the study that cannot be removed and should thus be acknowledged and embraced as part of the research context.

The time scheduled for collecting the data was relatively tight; just over a week. This is a short period of time to spend carrying out ethnographic research on any standards. A substantial amount of time is usually needed just to gain a basic understanding of the surroundings, not to mention the resources that are spent when a researcher is looking to fully understand the smaller details and nuances of a community. Though this case, the two years I have spent on the island have given me a subliminal

contextual understanding and a solid ground on which to build my research on. This is why the chosen methodology is a combination of focused ethnography with autoethnographic elements.

Knoblauch (2005) argues that though focused ethnographies are short and intensive, this does not necessarily imply that they are superficial. When comparing focused ethnographies with the more traditional way of carrying out ethnographic research, Knoblauch (2005) states that focused ethnographies are often highly data-intensive and are able to produce a large amount of data in a comparatively short period of time. The nature of the data is different when compared to traditional ethnographic research; different information is gathered when collecting field notes over a long period of time compared to shorter and more focused interviews.

At the core of successful autoethnographic research is the use of reflexivity, which is the ability to separate oneself from the encompassing society by the use of deep and careful self-reflection (Adams et al. 2014). I made efforts to include reflexivity in all parts of the research process, but it was most prominent in the analysis phase. The mission of this research is not necessarily to find a generalizable theory that can be applied to large populations, and the focus was more on the sample and the context and how they fit in with the theoretical framework built. This is why the scope was not spread out too far, and active reflexivity helped keep it under control.

3.3 Interview Context

Due to my personal connection with the location, I felt that it was natural to conduct the interviews in Iniö and in person. I reserved a total of seven days on the island for collecting the primary data, and started to communicate with the potential interviewees upon my arrival. Spending one week collecting data using ethnographic methods is not long when compared to many other ethnographic researches conducted. In this case though, I had a deep understanding of the context and was able to efficiently use the time conducting more focused ethnographic research, which proved to be apt for my research purposes.

When possible, the interviews were conducted according to the schedule of the interviewee and ideally in the entrepreneurs so called natural habitat, so where they execute their business. This was a conscious decision, both because of its convenience for the interviewee, but also, I felt that it helped set the scene. As I already had existing relationships with all of the interviewees, I felt that concentration should be put on adjusting the ambience from a more normal interaction. According to

Brinkmann (2013) it is important to make an effort towards building trust and making the interviewee feel comfortable.

Another motivation for contacting the interviewees after physically arriving on the island was to keep my actions in line with the local customers. The time I spent working on the island has given me a contextual understanding of the local habits and the way things work, so I had a grasp on the local culture. During my time on the island, I saw many people not from the community struggling with understanding how things work. Though I cannot recall any of these ballooning into larger conflicts, I remember that a majority of them were ultimately due to misunderstandings related to the concept of time. I noticed that individuals from an urban context typically had a more linear and pedantic approach to time, while the locals of Iniö had a more ambiguous take where things would happen when appropriate. Not wanting to slip into the urban mind-set and potentially put off any of the potential interviewees, I made the active choice to make the process as natural as possible. This was successful, and I was able to conduct all of the interviews with minimal effort for the interviewees in a laid back ambience and familiar environment.

Patton (1990), cited by Neergaard (2009) introduces the concept of purposeful sampling, where previously attained theoretical knowledge is used as a base, on which the sampling decision is made. Purposeful sampling is also referred to as selective sampling, because the sample is selected based on the pre-constructed criteria. I used purposeful sampling logic to create a sample that was both appropriate and applicable for my research purposes, by fulfilling the initial criteria. The primary requisite was that sample consisted of local entrepreneurs that were both active and situated on Iniö, without taking regard to their sector of business. The second prerequisite was that the entrepreneurs should be rather new entrepreneurs, as this may help the reflection process as they are able to recall time before engaging in entrepreneurship. In addition to these criteria, I utilized my own local knowledge and sought out individuals who I knew were on some level embedded in the community and who would potentially feel comfortable confiding in me.

The criteria regarding the personal backgrounds of the interviewees was more lenient, and I did not set any particular standards for that. Nevertheless, I tried to incorporate an element of versatility by not interviewing people that were related or that were otherwise particularly close to each other. I also was interested if there would be a difference between the attitude of an in-migrant entrepreneur and one of an Iniö-born, for example. Of the four interviewees two were born and raised in Iniö, the third was born in another part of the Finnish archipelago but had spent a considerable amount of time living in Iniö and the fourth interviewee's first encounter with Iniö had been around five years prior to the

interview. I was interested to see whether the diversity of their background would have a significant impact on their perspective.

3.4 Sample

Before moving on to the data collection methods, I feel that a short introduction on the sample is in order:

Interviewee A is relatively experienced player on the field of construction and defines himself as a versatile and all-around handyman, with roof renovations as his speciality. He has spent most of his professional life as an employee for larger companies, but becoming an entrepreneur is something that started to interest him increasingly with time. He established his own business around three years ago while living in Turku, but from the start made a conscious effort to move back to Iniö. Currently, the vast majority of his customers are situated in the general archipelagic area around Iniö and he only needs to visit the mainland to top up on supplies, which is something that he is content with. His customer segment consists of summer and part-time guests, and he feels that local residents purposely avoid using his services. Interviewee A is a local resident that has lived part of his adult life in Turku but wishes to be able to continue living and supporting himself in Iniö.

Interviewee B is a relatively fresh entrepreneur, and she had been running the village shop just over three months by the time the interview was conducted. Her road to becoming an entrepreneur was rather abrupt and was not the result of a long-term plan, but rather a sudden opportunity that had presented itself just five months before the time of the interview. She is a locally born entrepreneur and has spent most of her life on the island and plans continue to do so in the future too. Due to its seasonal nature, the bulk of the revenue is produced during the summer months with the main customer base consisting of summer guests and tourists. The importance of the loyalty of local customers is emphasized during the winter months, and she feels that she must balance between these two realms.

Interviewee C established her business just over a year prior to the interview, and has refurbished an old bank bureau into a café and lifestyle boutique. Though she has always had a dream of running an atmospheric café, the main motivation for establishing it was because she was looking a profession that would support and enable living on the island and finding work in the field that she had trained for was challenging. Though there have been so called coffee outlets previously, the island has been lacking a place to congregate and enjoy homemade delicacies and specialty items. Though her business is highly dependent on the summer months and the herd of tourists, she has found that the locals have really appreciated having the opportunity to visit the café during the winter months too. She was

initially worried that the locals would not feel comfortable drinking coffee out of the house, but her worry turned out to be for nothing as many locals actively and regularly visited the café throughout the winter.

The last interviewee, D, was preparing for his second summer running a seasonal restaurant by the main harbour. He too, did not initially plan to become an entrepreneur, but was encouraged with the support of his more experienced partner and with the right opportunity presenting itself. The restaurant itself is located by the waterfront and is especially popular amongst people traveling on boats. Unlike the other interviewees, D is not locally born but originally came to the island to work as a chef in the restaurant he now owns. Though he is attached to the island personally, he could see himself establishing several restaurants with the similar concept if a good and solid opportunity would come by.

3.5 Data Collection

The secondary research material was collected by conducting thematic and semi-structured interviews. This interview type was chosen because of its knowledge creation potential compared to, for example, fully structured interviews (Brinkmann, 2013). All of the four interviewees were interviewed once using a similar interview guide, which can be found in the appendix. The interview guide was more directional, and helped ensure that all of the interviewees were asked the same base questions. The supplementary and follow up questions varied on the answers and general direction of each interview, which is in line with the principles of the semi-structured interview guidelines by Rabionet (2011).

The duration of the interviews varied from around 30 minutes to 50 minutes, depending on the length of the responses that the interviewees gave. In some cases, the conversation derailed actively from the planned which made direct data analysis more of a challenge. The initial idea of conducting the interviews in the natural setting of the entrepreneurs had its consequences, and one of the interviewees was constantly interrupted by work related issues. All of the official interviews were recorded, which helped with making the interaction between them and myself freer. It was also easier for me to react to their answers and ask relevant follow-up questions as my concentration was not deterred by the collection of data. The interviews were transcribed and briefly analysed soon after the interviews took place.

Using a device to record the interview proved to be helpful for the analysis of the information, and being able to listen to the interviews multiple times helped build a more comprehensive understanding of the interviewees' attitudes. Also, I was able to pick up on contradictions and obscurities that I did not realise

in the actual interview situation. I had made a conscious effort to keep the ambience as close to a natural conversation as possible, and it must be admitted that the presence of the audio device slightly deteriorated these efforts. For my research to be in line with general ethical standards, I was obligated to tell the interviewees that they were being recorded and I did not make an effort to hide or conceal this with the recording device being in the close vicinity of the interview.

Recording the interview did not go without its down sides, and I noticed that the behaviour of the interviewees altered slightly in some situations. This, of course, is compared to my own conception of what I feel is normal behaviour for them based on our personal relationship. In two of the four interviews, I felt that the real conversation only started after they saw me turn off the recorder after I had asked the last of my official questions. The reasons behind this can only be speculated, but I feel that their unfamiliar to these type of interview situations played a role in combination with the personal, and somewhat sensitive, topic that is the social environment and community. Most of the data that presented itself after the recorder was turned off was saved and processed, as I immediately jotted down notes after the interview situation had ended

The majority of the population of Iniö is Swedish speaking, but due to regular contact with the mainland, many are fluent in both Finnish and Swedish. I made it clear to all the interviewees that they should feel free to choose the language they feel most comfortable in, as this would ideally help them relax. I noticed that in all cases, the interviewees primarily chose to speak the language that we most commonly would use in our personal conversations, which is understandable. Three of the interviews were conducted in Finnish, and one was conducted as a combination of Swedish, Finnish and English. English was spoken, because I had some difficulties in rephrasing some of the more vaguely put questions. The interviews were all translated as part of the analysis process, and effort was put not to lose any vital information in translation.

I also felt that the location of the interview was important in creating a natural ambience, in addition to the laid-back time frame, the freedom of language and my personal presence. Therefore, I tried to organize the interviews in a location that was highly familiar to them, and ideally in the space where they engage in entrepreneurship as I felt this may help set the setting. I was successful in this plan and was able to interview all the entrepreneurs in their so-called natural setting, with one exception which was conducted during the ferry journey to the mainland due to the interviewees unexpected time constraints. Though some of the interviews were interrupted mid-way due to unexpected work-related issues

The structure of the interview guide was divided into roughly six different sections, based on the different themes that had arisen in the secondary research data. The interview guide was carefully sculpted in steps and, according to the recommendations of Brinkmann (2013), I started the interview with what I call *setting the scene*. I felt it was important that the interviewees are given a short overlook on what my research is about (rural entrepreneurship) and what I am looking into particularly (the impact the social and rural environment has on themselves as entrepreneurs). I feel that this type of introduction was beneficial and helped keep the discussion from meandering too far off. The second part of the interview aimed to get a better understanding of the entrepreneur from their perspective, while the goal of the third part was to understand the reasons why they had originally contemplated and consequently engaged in entrepreneurship. The aim of the fourth section was to bring the focus to Iniö as a place, and why the reasons they were entrepreneurs in this particular place. The fifth section concentrated on the entrepreneur's take on the impact of the social environment, while the final section concentrated on the physical dimensions of rural entrepreneurship.

3.6 Data Analysis

Thematic analysis was used to analyse the data collected through the semi-structured interviews. After conducting the interviews, I immediately jotted down a summary of the interesting points that had arisen and the general feelings the discussion had evoked. Nevertheless, the actual analysis process only started after I had properly transcribed and translated all of the interviews. According to Eriksson and Kovalainen (2008) thematic analysis is the process of identifying and categorizing certain themes that may recur in the sources, in order to make sense and potentially find similarities in a large amount of data. The desired themes were labelled, or coded, and tried to fit together in order to find logic.

As mentioned previously, the nature of my research requires both a deductive and inductive approach to the analysis, which is referred to as abduction. The goal of the literature review was to use existing academic research in order to form a theoretical framework, which transferred to the primary data collection stage as a pre-defined theoretical idea. This ultimate goal of conducting the interviews and gathering data was to explore this theoretical idea in a novel environment, with the coding process enabling me to inductively analyse what was readily brought up and discussed in the interviews.

The initial interview guide was built relatively tightly around the theoretical framework, with the objective that would help both myself, as the researcher, and the interviewees from drifting too far off topic. This turned out to be a bit naive, as one cannot both stick to a tight interview guide and

simultaneously expect the conversation to be unstructured and light natured. Conducting the first interview put me face-to-face with this contradiction, and subsequent changes were made to assumptions on how a successful interview should be conducted. Ultimately, having a combination of direct questions and probing the conversation with my one local knowledge and know-how gave me valuable knowledge on a two-tier level. Often, the direct questions were answered from a professional standpoint, but they were garnished with personal insights that came from a personal standpoint.

Acknowledging the direct and more professional answers to the questions proved important, but an impressive amount of information was retained from the metadiscussion that happened before and after the interview situation and between the separate interview questions. I felt that it was important to respect and acknowledge the direct answers to the questions but focusing too closely on these may cause me to disregard important information. According to Eriksson and Kovalainen (2008), having too narrow of a concentration may not leave room for more unexpected themes that arise during the discussion. Respect towards both elements was an active part of the abductive coding process.

3.7 The Coding Process

Inspired by Kibler et al.'s (2015) article, I decided to start the initial coding process by looking at the ways the interviewed entrepreneurs relate to the place that they are operating in; is their relationship more emotional or do they have a more instrumental attitude. Indicators of a more emotional relationship would be that they feel attached with their surroundings and that they are personally embedded in their environment. A more instrumental approach is that the entrepreneur does not necessarily have an attachment with their environment on a personal level but views their environment as a place of business. This is closely linked with the idea of *rural entrepreneurship* versus *entrepreneurship in the rural*, which is discussed with more detail in the literature review section.

The primary stage and goal of open coding was to establish whether the entrepreneurs could be categorized under rural entrepreneur or entrepreneur in the rural. This turned out to be rather difficult, as they all had both emotional and instrumental approaches to their businesses. These two characteristics could be set on either side of a spectrum with all the entrepreneurs finding their spot based on the ratio of emotion vs. instrumentalism. All the interviewees were embedded in the community and had an emotional connection, though it was obvious that all of them had solid financial motives with the profitability of their business being the starting point.

For the secondary stage of data analysis, the method of selective coding was used. After coding for related to either emotional and instrumental categories, the data was lightly analysed, and subcategories related to both primary codes were created. Initially, I thought that the themes that are linked to the emotional sides of entrepreneurship would have been more telling and relevant for the research questions, which discuss the role rurality plays on the social networks of a rural entrepreneur. After starting the analysis, it became obvious that emotion and instrumentalism are intertwined, and themes linked to the more instrumental side had an important role mirroring the interviewee's attitude towards their social network.

Important part of the analysis was mirroring the answers and attitudes against my own understanding that I have gathered during my time living on the island. Though my own bias should not be ignored but taken as part of the analysis process. A researcher cannot become completely free of all biases, which is not necessarily a negative thing but is important to be acknowledged. My personal attachment gave me an understanding of the context and helped me understand if a subject was sensitive and work around it in addition to being able to validate some statements and question others.

3.8 Research Ethics

All of the interviewees were given accurate and valid information about how the information gathered via their interviews was to be used. I agreed on all of the interviews beforehand and gave the interviewees an overview of the type of research I was conducting. All of the interviewees were aware of the purpose of my research, and they participated knowingly and completely voluntarily. I do not mention the names on the interviewees in any part of my research, but I also have not promised anonymity due to the nature of the research context. Iniö is a small community with only around 200 inhabitants, which makes hiding the identities of the entrepreneurs challenging. This would have been made possible though, if both the topic and the interviewees demanded so.

4 Findings

The data analysis process was started by looking for signs of either an emotional or an instrumental attitude towards entrepreneurship. In the beginning of this process, I made the mistake of assuming that it would be nice and simple to categorize each interviewee as being either or; either an entrepreneur driven by emotion towards a place, or rather an entrepreneur who has a more instrumental take. I soon proved myself wrong, which serves me right for assuming! It turned out that in my sample of interviewees, they were all a combination of both but with slightly different proportions; though Iniö meant a lot to them personally, business is business.

Though the idea of setting up a business in an idyllic community located the outer archipelago may sound quaint, none of the entrepreneurs took entrepreneurship lightly. All of the interviewees were unified in thinking that above anything and before anything: profitability comes first. I feel this is important to emphasize in this stage of the research, as it proves that the interviewees do not put their emotional connection towards Iniö and its community before the wellbeing of their business. The role of money is a very telling topic and finely displays their attitudes towards their business and will be discussed in more depth later in this Findings section.

Moving to the more physical realm of rural entrepreneurship, an interesting finding was that none of the interviewees had a primarily negative attitude towards the remote location of Iniö. Actually, it was quite the opposite. All of the interviewees felt that the remote location was an important part of their business advantage, as it gave them a critical competitive advantage for their local customer base. They did all acknowledge that the remote location had an impact on the way that they operate, but it is more or less a characteristic of their business that can be worked around with proper planning rather than a hindrance or challenge. Also, the physical gap to the mainland was easily narrowed with the use of modern technology, such as the internet based communication tools which could potentially replace the more traditional role of weak ties.

Before expanding the scope of the research findings, I feel that one final point is worth mentioning. Though all of the entrepreneurs interviewed take their business seriously, only three out of four of them had any current plans or wishes to expand their business. All of these three interviewees were locals, and had spent the majority of their life living on Iniö. For them, the primary goal and motivation for running a business was to be able to support themselves and their family, and continue living on the island. Their professional choices were driven by their own personal motivations, and two of the

four interviewees even stated that they would not even consider entrepreneurship in a similar field if they lived on the mainland.

4.1 Why Entrepreneurship?

I wanted to start off the interviews from the source, and find out the core reasons why the this sample of rural entrepreneurs has decided to engage in entrepreneurship in the first place. The first response was similar for all four; because it was possible. None of them had actively scouted or sought out entrepreneurial opportunities in Iniö, but an opportunity presented themselves and they took it. The possibility of becoming an entrepreneur also included the possibility to be able to live on the island of Iniö. All four of the employees had a strong emotional connection with the place, though this was most prominent and present in the Interviewees A, B and C who had spent the majority of their life living on the island and had a strong Interviewee D also had immediately felt fondly towards the island after accepting a job offer their five years ago.

The main criteria or reasons for engaging in entrepreneurship was that there was that it offered a possibility to make a living, in addition to letting them live in Iniö. All of the interviewees took their business seriously, and believed in its longevity and sustainability. It was obvious that they were motivated as entrepreneurs, and the core motivation for running the business was to make a living in the long run. The combination of these two elements is not an easy feat in such a remote context, and they all felt that the profitability of their business is a vital part of why there are entrepreneurs.

As previously mentioned, being able to live in Iniö was the second main criterion and one that all of the interviewees brought up readily. Three of the interviewees had spent a significant amount of their life on the island, and had a significant emotional connection with the place in order to family, friends and hobbies. For Interviewee B, the combination of these two things; profitability and location, was more important than the nature of the work itself. She had worked in the same shop that she is currently working in previously and not enjoyed it, yet she still had taken the opportunity to work in the same environment as an entrepreneur.

Well the reason was basically fulfilling a long term wish of mine, even from when I was a little girl. I have had this idea in the back of my head for ages that it would be nice to run my own small cafe, but the biggest reason is that because we live here in Iniö we have to come up with a way of making a living Interviewee C

It is important that it is in Iniö. I had never really thought that I would ever work in a shop. I worked here one summer ages ago and then it really wasn't my thing. Interviewee B

This response is in line with the answers from the other interviewees. They did not feel inclined to have accept a position with a similar job position but with being an employee instead on an entrepreneur. They also did not feel comfortable working for another entrepreneur in a similar field, which would indicate that being an entrepreneur is critical for them. Three of the four interviewees did not feel that they would realistically consider establishing a similar business in another place or environment, and did not have intentions to expand their business outside the borders of Iniö. This gives reason to believe that both the entrepreneurial role and the location of their business were two core aspects behind the entrepreneurial decision. This of course is just speculation, as the interviewees were asked about this as a hypothetical situation.

(Laughing) I have no idea... There was the possibility. I had never ever thought that I would have wanted to be an entrepreneur, ever, but the possibility appeared and I did not enjoy my previous job. Why not... Interviewee B

4.2 Freedom vs. Responsibility

Other reasons for starting a venture in Iniö were related to the more generally accredited benefits of entrepreneurship, of which the element of freedom seemed to be a common denominator. Interviewee A jokingly said that he must be suffering from severe authority issues; he could not handle getting into yet another argument with an incompetent boss and being an entrepreneur gives him the opportunity to bad-mouth his boss as much as possible without having to face repercussions. Interviewee B mentioned that establishing her own business gave her the opportunity to own what she was doing. The nature of her previous jobs has been rather strict, and she is currently able to unleash her creative side and freely use trial and error to see what fits.

Being an entrepreneur includes the element of freedom in a way that you are able to decide about things, such as the length of your day etc. It also gives the possibility to develop and change things, which would not otherwise be possible if you are working as an employee. You are very rarely given full responsibility and freedom to do as you feel fit. Interviewee C

Well there is a sense of flexibility and freedom, so if it is raining heavily one doesn't need to go to work, but on the other hand I have to go to work because no one else is going to get the job done. More responsibility, but also more freedom Interviewee D

Interviewee D also discussed the benefits of freedom for himself personally, and that the possibility to take longer periods off work suited his current life situation. The topic of freedom quickly transitioned towards the inevitable presence of responsibility; as Eleanor Roosevelt once announced, *with freedom comes responsibility*. Interviewee D felt that this responsibility was manifested in the constant need to be on top of things and represent the business, even if he would not feel like it at that particular time.

I'm supposed to know everything and be able to do everything, if you want to make it profitable. I'm on the verge of a burnout during the couple of months before the summer. It's tough. Interviewee D

Interviewee B also brought up the counter side of freedom. Though she did agree that being her own boss brought a certain sense on freedom, she felt more restricted than when she was working as an employee. She has the power to make decisions, but she also has to deal with the consequences of these decisions.

More freedom, not sure... I feel like I am here 24/7. But it is fun, just as long as people don't cross a certain border like ringing 'I just put a steak on to cook and I need a plastic bag etc'... Freedom, no not really, not yet. Freedom in a way that I am my own boss, to say. Though I still have my own employees. Interviewee B

Interviewee A felt the toll of responsibility during the long winter months, when there is a significant dip the business. The uneven balance of work is an inevitable part of the his work due to the seasonal constraints of the archipelagic setting, though this time could potentially be used more efficiently for maintenance work and preparation. He had problems with self-regulation and though he enjoyed not being micro-managed, he missed the results of it at times. Getting himself out of the house and being productive were great challenges for him during the slower winter months.

Interviewee B and C both felt that their business was important for the community as a whole, and that was one of the reasons for engaging in entrepreneurship. Interviewee B emphasized the important role the village shop had for the sustainability of the community, especially since many of the permanent residents were starting be quite elderly, making moving about hard and travelling to the mainland for their food shopping virtually impossible for them. She felt that her background as a vocational nurse

gave her an advantage when managing the store, as she could utilize her profession of helping people in a new context. She said that having a sociable nature and feeling inclined to help doesn't go away by changing jobs, it just changes form.

Interviewee C had noticed that the community lacked a meeting place for locals to socialize and relax, especially during the quieter winter months. She felt brave enough to establish her café regardless of the seasonal environment and lack of reliable masses of customers, because she knew that she was not competing with any existing entrepreneur and she was offering something that the community and its members could benefit from. The motivations of Interviewee B and C show that there could be an element of embeddedness in the entrepreneurial decisions, as they have taken the surrounding community into consideration. A more sceptical take on the issue is that they noticed the opportunity that the lack of competition can bring.

4.3 Dancing on a Bed of Roses

When asked about the challenges the Interviewees have faced as entrepreneurs, the prominent issues mentioned were yet again related to the more mundane aspects of entrepreneurship, and were not directly related to the physical or social environment of Iniö. For example, Interviewee C said that the biggest challenges she had had to overcome had been related to bureaucracy and costs, that she felt have not been moderated to the size of her company. She felt that handling and paying all of the required permits could end up putting an aspiring entrepreneur out of business before they have even been able to get properly started. She said that she has had to collect and use a considerable amount of investment just to make it through the first year.

If I was in this just to make a profit it would not be worth it because you will go bankrupt before you have the opportunity to break even. And as a small entrepreneur it sometimes feels like all the bureaucracy and permits are out to kill the business before it has the chance to get started.

Interviewee C

Interviewee B, on the other hand, has had the most trouble with such a day-to-day issue as language. Officially, Finland is a bilingual country, and in principle, all Finns should be fluent in both Finnish and Swedish. The reality is far from this in most parts of Finland with Finnish being the dominant language and with few being motivated to speak Swedish. Iniö is a Swedish speaking area, and most of the local residents have Swedish as their mother tongue. As Interviewee B has spent most of her life on the island, she has not been used to using Finnish on a daily basis. Her biggest challenge has been

related to communicating in Finnish, and she has had to negotiate many of the official contracts with suppliers and other business partners in a language she does not feel comfortable in.

Interviewee D's response to the question about the challenges of entrepreneurship did have some elements of a social environment. He felt that the main challenge has been the transition from being an employee to having to take on the role of an entrepreneur. He felt that he is suddenly expected to know everything and be able to do everything, which has not been expected from him previously. He also felt that he has to represent the company and act as the face of the business also in his free time, which can add to the stress of the high season. This type of problem may not be as prominent for a small business owner in an urban context, as an entrepreneur may not be in such close contact with the people around them, though this is just a speculation.

Interviewee A's main challenges were related to the field of construction in general. The physical strain of the job is significant, and he could feel the strain of years of work on his physical health though he is only in the early thirties. The physical element of the work is increased in the archipelago due to the lack of infrastructure, and he said that he often find himself carrying heavy loads in rather ergonomically questionable positions. Due to his high work moral and not wanting to let down his customers, he has also worked long days while being sick which has lead him to suffer from multiple cases myocarditis and has taken its toll on his cardiovascular health.

Other challenges that Interviewee A mentioned were relevant to the physical environment of Iniö and the constraints and uncertainty that it entails. For example, the delivery of materials was considerably more complicated of a process compared to a similar delivery in an urban environment, mainly due to the long distances, lack of infrastructure and the role weather conditions have which all increase the level of uncertainty and make estimating timetables difficult.

The primary challenges mentioned where rather general issues related to entrepreneurship, which gives an indication that there might not be such critical differences between entrepreneurs in Iniö and those active in an urban setting. Nevertheless, the more secondary challenges were strongly related to the small and tight-knit community and the remote physical setting, which prove that there still some differences that should not be overlooked though they were not the most readily answered...

4.4 A Dive into Physical Realm of Rurality

As discussed in the literature review, the physical location typically plays an important role for rural entrepreneurs. The area of Iniö is classified as remote, and at least one ferry ride is needed to access it. Though taking in consideration the remoteness of Iniö, the level of services has continued to stay on an acceptable level and, for example, there is a school with 13 children, a day-care centre with five children, a healthcare centre with a doctor that visits every two weeks, a bank branch that is open once a week and a post office that is open on a daily basis. Though there has been a constant discussion and worry over the continuing of this type of service level throughout the two years that I lived on the island, the I noticed the first concrete blow while I was visiting Iniö in order to conduct the interviews. The official postal company in Finland, Posti, had sent out a notice that they would be reducing the delivery of post and packages from daily to once a week. This was a blow for the community, and the all members including the entrepreneurs I interviewed had collaborated to try and revoke this decision.



The main ferry line that enables access to Iniö (Maaranto, 9.9.2018)

Overcoming the physical barrier, to say, seems to be a joint effort which unites the community. This became obvious even during the time I lived in Iniö, and there was always someone willing and able to pick something up from the mainland for me or from whom I could get a lift to Turku from. Even during our interview, Interviewee B was organizing the delivery of a fridge that her acquaintance who lived on the Åland side of the group of islands had ordered. By having it sent to Interviewee B and it being put on a ferryboat which is free for locals, a considerable amount of money was saved. Though

Interviewee B did not gain any monetary benefits from this arrangement, helping out others in the extended community was an intrinsic part of the culture. The boundaries of when something is help that can be given back through repriocracy and when something should be paid for otherwise is quite a fuzzy balance, that will be discussed in a later section addressing the affluence of the social environment.

Another example of the way the remote physical location is being overcome through a joint effort is the voluntary fire brigade, VPK, of which virtually all male members of the community are a part of. The official emergency services often externalizes the more minor cases to the VPK, and asks for assistance during bigger operations, because they are often able to access sites quicker than when help is sent from the mainland in addition to the valuable local knowledge many of the volunteers may have.

For the more established local entrepreneurs, so Interviewee A; B and C, the physical dimension of Iniö has not been a source of surprise because they have internalized it quite deeply. A, B and C all acknowledged the difficulties the remote location had on the business but referred to them as things that one must work around. It seemed as though the physical environment was seen to be just part of reality and the context that they operate in. The impact of the rurality does not change if the business is established in this reality, which is unless there are changes that threat their ecosystem, such as the previously mentioned dramatic decrease of postal services.

Of course it impacts in a way that in a normal circumstance someone might not set up a cafe for such a small customer base, but in a way once you have lived here for some time you get used to the physical circumstances. You just know that the physical restraints just are what they are. Interviewee C

Nevertheless, Interviewee C stated that it had a big impact on the way his business operates, when comparing it to the way he used to run his business while being based in Turku. The consequences of the remoteness made it difficult and expensive to get materials, and there is not much choice regarding suppliers. As mentioned, it is also more difficult to set and keep to tight schedules, as he is at the mercy of favourable weather conditions and must rely on the availability of set suppliers. Keeping up a good relationship and working on the terms of the suppliers is important, as there is not an abundance of choice for alternative contractual partners. He also mentioned that the lack of infrastructure makes his work more physically challenging that it would be in an urban environment. Transporting machinery

if often out of the question, and he is regularly forced to carry heavy items on rugged and uneven terrain.

The toll of the remote location did come as a bit of a shock for Interviewee D, though he had spent time working on the island before starting a business there. The sine qua non was the 25-minute ferry ride that either increased the delivery prices or made the delivery difficult, though in practice it is possible to keep the time spent on the island reasonable with adequate planning. This results in not being able to freely choose your business partners and having the feeling that you are expected to pay premium for the most basic of services, in addition to experiencing that you have less opportunities available to you that if you would be an entrepreneur in an urban context.

I knew in a way about the physical challenges but because I was just working there it was quite manageable and easy to overlook. But I have encountered a lot of surprises that the rural location has brought, mainly related to business partners and suppliers from the mainland. It is usually the 25minute ferry ride that makes things difficult to get supplies, transporting here costs hundreds... However, the distance from the mainland has its benefits too... Interviewee D

In a way I don't think I would establish a cafe on the mainland because I know that there are always other cafes that I would have to compete with. The lack of competition is a benefit for me in a way. Interviewee C

Interviewee A, C and D disclose the positive aspects of remoteness; less competition. Customers are more inclined to use local services if there are less options available. Interviewee C felt that many of her customers stop by during the summer months partially due to the sparse ferry traffic making them unable to leave the island. Also, not having a café with a similar concept has helped establishing her business, and she takes solace in knowing that customers do not have the possibility to choose a competing cafe next door offering similar homemade products. Interviewee C mentions the lower level of competition as being one of the motivations for moving his business from the more densely populated area of Finland Proper to Iniö. Though he still says that he asks for minimal margins, he has the possibility to concentrate on quality over quantity.

Another benefit of the physical location was the established level of tourism that Iniö enjoyed during the summer months. Iniö is situated on the Archipelago Trail, also referred to as the Archipelago Ring Road, which is a popular summer trip destination from both domestic and international tourists. An average 21000 drive, cycle or hike through the islands of Iniö every summer (Tourist Office of

Parainen, 2018), which creates a demand for services. In addition to this, the city of Parainen built a new guest harbour for about 50 boats in the Norrby bay with the support of the EU investments. This has increased the traffic of boats both visiting short time and staying overnight. The Finnish Archipelago is a sought-after place to spend the summer holidays, and many of the properties are used as summer homes. The physical environment, with its attractions, remoteness and natural beauty, is something that draws people and is vital for the local entrepreneurs, including all of the interviewees.

Asking about their relationship towards where their physical environment, and whether they were able to separate the environment into a space that there are an entrepreneur and a place that they live, was a challenge. It was difficult to communicate the meaning of the question, and I felt that none of the interviewees fully understood it, which was not surprising as I also had difficulties in explaining what I was looking for. Interviewee C mentioned that though she would like to think that she would be able to separate the place she lived from where she runs her business, she cannot realistically say that this would be possible for her. The relationship of place and space was difficult to ask, but even more difficult to answer.

4.5 The Communal Balancing Act

The interviewees had slightly different takes on how the community is comprised, and who they accept to be part of the local community. One common factor was that they all regarded the community as both an ensemble and as a compilation of individuals. Interviewee C and D seemed to have a more homogeneous approach towards the local community, and regarded those who spent a majority of their time on the island and were otherwise active to be locals. Interviewee A divided the local community into year-round residents and the more established summer guests, who wish to be referred to as part-time residents. Interviewee A divided the community into three categories; the first group were people with whom he had a tight personal relationship with, the second was with whom the relationship was strictly professional and the third group were local residents that had a relatively minimal impact on his life.

The locals, well, I don't think I have done a single job for a single local resident come to think about it. But I still would like to make an effort and if no one is interested that is their problem, but there is the possibility Interviewee A

When asked about the importance and the role that the community played on their businesses, Interviewee B, C and D all felt that the local residents built up a figurative backbone of the business. All three of these entrepreneurs rely on large masses of customers during the summer months as their

most important customer segment, yet the local community cannot be considered to be part of this segment. Interviewee D said that the locals are the most important group for him, though their impact on the bottom line is not sizable. He could not specify particular benefits of having a close relationship with the local residents, other than the peace of mind that he knows he will get help if and when it is needed. Interviewee D felt that the support of the locals builds up a sound structure for a business. Nevertheless, the relationship cannot be just professional with such a small community, and he finds balancing it out with a personal relationship challenging at times because he feels as though he should be bending forward in all directions, and one cannot do that without showing your rear end to others.

If you ignore or overlook the locals, running a business becomes very difficult. Interviewee D

Interviewee B did not feel that she gave local customers any special treatment because they were local but admitted that many of the local residents were elderly and thus needed more help than others. She felt that help should go in both directions; she will help build the services and sortiment of the village shop into what it was like in the 'olden days' to cater for the needs of year round customers, and the locals should help her by supporting the village shop. Interviewee C felt that the community consisting of local residents have proven to be very important for her business, and she has been positively surprised by the amount of support she has received. She was a little hesitant at first because Iniö had not had a café in a traditional sense previously, and locals were not necessarily accustomed to drinking coffee outside of the home. This fear was proven to be unnecessary, and she hasn't received anything but acclamation for this positive change. She even decided to keep the café open two days a week during the winter months, though she knew that this was not necessarily the most profitable choice. She has also decreased the prices during the winter, and calls them winter prices, because she wanted to give the locals some type of discount and acknowledgement for their support. As the summer months are nearing, she knows that she will have to put up the prices back to a more sustainable level that makes her a bit hesitant, though she says she finds solace in the numbers.

Asking about the role the community played on their businesses turned out to be rather personal, and most of the interviewees were rather hesitant to say anything too direct, and especially anything negative. An exception to this was Interviewee A, who's initial response to the question was to announce that the local community played no role in his business. Later in the interview, there were signs that the locals did have an impact on his business, and he would visit local members regularly just to say hi and sometimes offering help. He said that he would be willing to work for very low prices in the winter months, but it has been difficult for him to get local customers. The ambience when

talking about this topic evoked the feeling that, due to reasons left unmentioned, the community played a role in his business and not necessarily only in a positive way.

The locals, well, I don't think I have done a single job for a single local resident come to think about it. But I still would like to make an effort and if no one is interested that is their problem, but there is a possibility. Interviewee A

Interviewee A and B both felt that the because the community is comprised of individuals, memories of previous experiences and events are kept alive decades to come. Interviewee felt that sometimes she is still remembered by and regarded to as the little girl who used to run around naked in the village of Norrby. Though this is a fun memory, it is not something that you like to be associated with 30 years later while you are trying to build a credible business. Interviewee A feels that this sometimes goes further than his own actions, with prehistoric feuds between families and mistakes made in the past by his distant relatives.

Both of the interviewees agreed that backward mentality is more common for the older generations, and Interviewee B estimated that people above the age of 50 usually have the biggest prejudices, and referred to them as being *snowed in*. According to Interviewee B, an example of this type of attitude is that many of the more established summer guests have started to use the village shop again now that there is a native *Iniöbo*, or a Iniö-born person running it.

They are so traditional and backwards in a way that they feel that everything should be like it has been in the past. It is funny how certain people have stopped judging the store immediately once a local person has taken over. Interviewee B

Interviewee A felt that the younger generations have less interest in up keeping the more negative and destructive traditions are concentrate more on other things in life, and he feels that there is hope for change in the future. He then added that the younger generations are also not interested in reproducing as actively as before, so all in all there is no hope, which is a fundamental problem when looking at the sustainability of the community.

There is hope because the younger generations are not a engaged with the old tradition of family feuds and so on, apart from a few exceptions... Though in general there is no hope because no one is having babies. Interviewee A

Interviewee D speculated that the effectiveness of word of mouth, in combination with people's natural interest in gossip, makes locals feel hesitant to buy his services. The consequences of conflict situations on the general social environment are messier than if you would be doing business with someone that you have no previous contact with. The impact on word of mouth, in combination to the previously mentioned long memory plan, could make community members cautious of taking a risk and buying services from a local that they have not been in business with before.

4.6 The Equilibrium of Pleasure and Play

The subject matter of simultaneous entrepreneurial and personal roles what not the easiest to get a grip of while conducting only single interviews. Asking direct questions lead to misunderstandings, and more indirect questions lead to relatively irrelevant answers. This may be because interviewees had not given much thought to this topic in their daily lives, which is understanding. After discussing the topic, it became obvious that all of the interviewees had to actively and constantly balance between the roles, and some were more accustomed to this than others. The consensus was that there should always be a continuous balance in place. In such a small place with a tight community, their businesses are linked directly to them as individuals, whether they would like it or not, and they cannot just ride off their entrepreneurial role when suitable. Because it is very difficult for a healthy person to divide themselves into two different personalities, or role, some type of inner balance must be found.

Difficult question... I know that I want to say that yes, I can separate them, but there must be a part of me that combines the two. Interviewee C

No, well it's not a purely professional relationship in any way. It has brought me a deeper level of locality, in a way. It's a continuous balance between being professional and not, continuous. Interviewee D

Money has an important role as part of modern-day business, regardless of the context. I felt that questions related to this topic were relevant, because the flow of money typically becomes difficult when you are close with someone. This reference is from my own personal experience. Interviewee D responded to the question by reminiscing about when he was first starting the overhaul of his restaurant, and was feeling uneasy about how much he should be paying to whom. One of the first locals that he bought services from is specialized in marine transport and excavation, in addition to being quite a prominent character in the community and a close acquaintance of Interviewee D. When Interviewee D brought up the topic of payment, the response was brief: *let us just keep thing separate.*

This statement is something that Interviewee D has lived by, and he has official contracts and fixed prices with most of the local entrepreneurs when he buys their services. He feels that though there is a yeoman mentality of everyone helping each other, there is a need and a way to transfer money, just as long as you take some time to understand the system. No one want things to become awkward and uncomfortable, and these can be easily avoided with some social intelligence, according to Interviewee D.

Me: Do you feel that money makes things more difficult here?

Interviewee D: No, because there seems to be a system in place for transferring money. Very quickly, I was told not to mix things, not to make things more difficult than they can be. Of course it was difficult in the beginning before I was able to understand and not mix things, but yes problems are avoided with trying to keep the professional and personal roles somewhat separate. It's a great thing and it didn't come from me.

Me: So these two issues can be separated?

Interviewee D: Well, the smart people can.

Interviewee A has settled the problem of professionalism and personality by doing business in two different ways; he has official contracts with those he wishes to have a primarily professional relationship, and he uses other means of payment for more personal contacts. The benefits of contracts are that they are reliable, and avoids any unnecessary conflict when everything is predetermined. Interviewee A said that when a binding contract is in place, he is able to demand things from the second party, regardless of the nature of their personal relationship. He did mention though, that there are some significant differences in the actual contracts when comparing them to ones drafted in an urban context. The constraints of the remote physical environment has an impact on the period, and the work schedule clauses are broader. Instead of setting specific dates, the timetable is usually set on months and sometimes even seasons, making planning his work schedule challenging at times which is reflected in what can be promised to customers.

Interviewee A usually does business with closer members of the community through the means of barter because he does not see the value of money swapping pockets when both parties have something of value for the each other. He mentioned an example this type of individual as being the local shipyard owner, with whom his has built a close relationship with partially due to his girlfriend working there for many years. Interviewee A often helps around the shipyard with work that needs doing in return

for the loan of their industrial tractor, which is he can use on his construction sites. This too is a balance, and though there is not type of official tally, monetary payment is offered for larger projects as not to shift the balance of work too far from the equilibrium.

4.7 How much can the strong tie lift?

Regardless of their background and field, it became obvious that allow the interviewed entrepreneurs were in regular contact with the mainland. Though they were not able to cooperate with all suppliers due to their physical location, they have the possibility to find information and communicate using modern technology just as well as someone working in an urban context. Interviewee B said that while setting up her business, she has spend a lot of time online comparing prices and looking for the best deals. Flow of information via weak ties seems to have partially mitigated through technological advantages,

I take time to go through different suppliers online as to get good deals, so that we don't need to have such high prices as before. This of course will take some time, but once I learn where I can get different items, it will get easier. Interviewee B

Interviewee D said that he must order most of his supplies from the mainland, though he would prefer having something on the menu that is sourced locally, such as fish, because it would be a valuable selling point for his customer. The main problem is that there are very few reliable suppliers, and the transportation of produce is time consuming and costly. It is more cost efficient to order everything from the mainland, that cherry pick produce from around the archipelago. There is almost no option to choose a local supplier over a larger and more cost-efficient one from the mainland.

It could be speculated that the fear of conflict and the presence of unwritten rules can have an impact on the entrepreneur's relationship with others in the community, but this is not the case if the entrepreneur is able to adapt to the system, such as in the previously mentioned case of money. Community members seem to be cautious of conflict situations, and that is why many of them have enforced a norm of trying to keep business and pleasure separate.

5 Discussion

At the core of Schumpeter's theory of *creative destruction* is the idea that entrepreneurs create novel value from existing resources. It is safe to say that all of the entrepreneurs that I interviewed were very much entrepreneurs from this perspective, as they had all more or less stumbled across an entrepreneurial opportunity and seen the possibility for value creation. It became apparent that most of these opportunities have been created in the tourism sector both directly and indirectly, which is similar to the case about sustainable entrepreneurship in the Himalayas introduced by Singh (2004).

For the members of the sample, the primary motivation for establishing a business was to help support themselves living on Iniö, but the primary goal of the business was for it to be profitable. Thus, it would seem that Kibler et al.'s (2015) approach of dividing the entrepreneurs into either having an emotional or an instrumental attachment is accurate, though it seemed as though all of the entrepreneurs had a combination of both approaches but with slightly different proportions. Though all of the entrepreneurs took the profitability and sustainability of their business seriously, I do not feel that any of the entrepreneurs fulfil the characteristics of exercising Korsgaard's (2015) *entrepreneurship in the rural* due to their personal connection with their environment.

Location is without doubt an important factor of entrepreneurship, and even more so in a rural context. The physical location of an entrepreneur is even more relevant when discussing rural entrepreneurship due to the role the remote location plays on their business. One would imagine that rural entrepreneurs would feel that their remote location is a hindrance for their business performance, but it would seem that the truth is closer to the complete opposite. Stathopoulou (2004) brought up the issue that a unique characteristic of a place can also act as a competitive advantage, and rural locations are able to offer experiences that other cannot. For the most part, the entrepreneurs appreciated the remote location, as it both created a natural need for services and cuts off most potential competitors. All of the entrepreneurs feel that they have to either pay premium prices for delivery or make alternative arrangements, but on the other hand are able to charge their customers accordingly due to the lack of aggressive competition.

Overcoming the barrier, or stretch of sea, between Iniö and the mainland did not appear to be an issue that the entrepreneurs of Iniö particularly struggled with. It became apparent that modern technology had the power of narrowing the physical barriers a considerable amount. Though Iniö is in a remote location, the residents on the island do not suffer from lack of connectivity and all of the entrepreneurs were used to using the internet to search for information with ease. This could imply that the

entrepreneurs of Iniö are not necessarily in a secondary position compared to urban entrepreneurs on this front. The entrepreneurs are able to benchmark, compare and purchase online with ease, and one could assume that this has a significant impact on the weak ties of entrepreneurs. Recalling Granovetter's statement about the benefits of weak ties, one could speculate that modern communication tools have at least partly decreased the importance of weak ties from that standpoint.

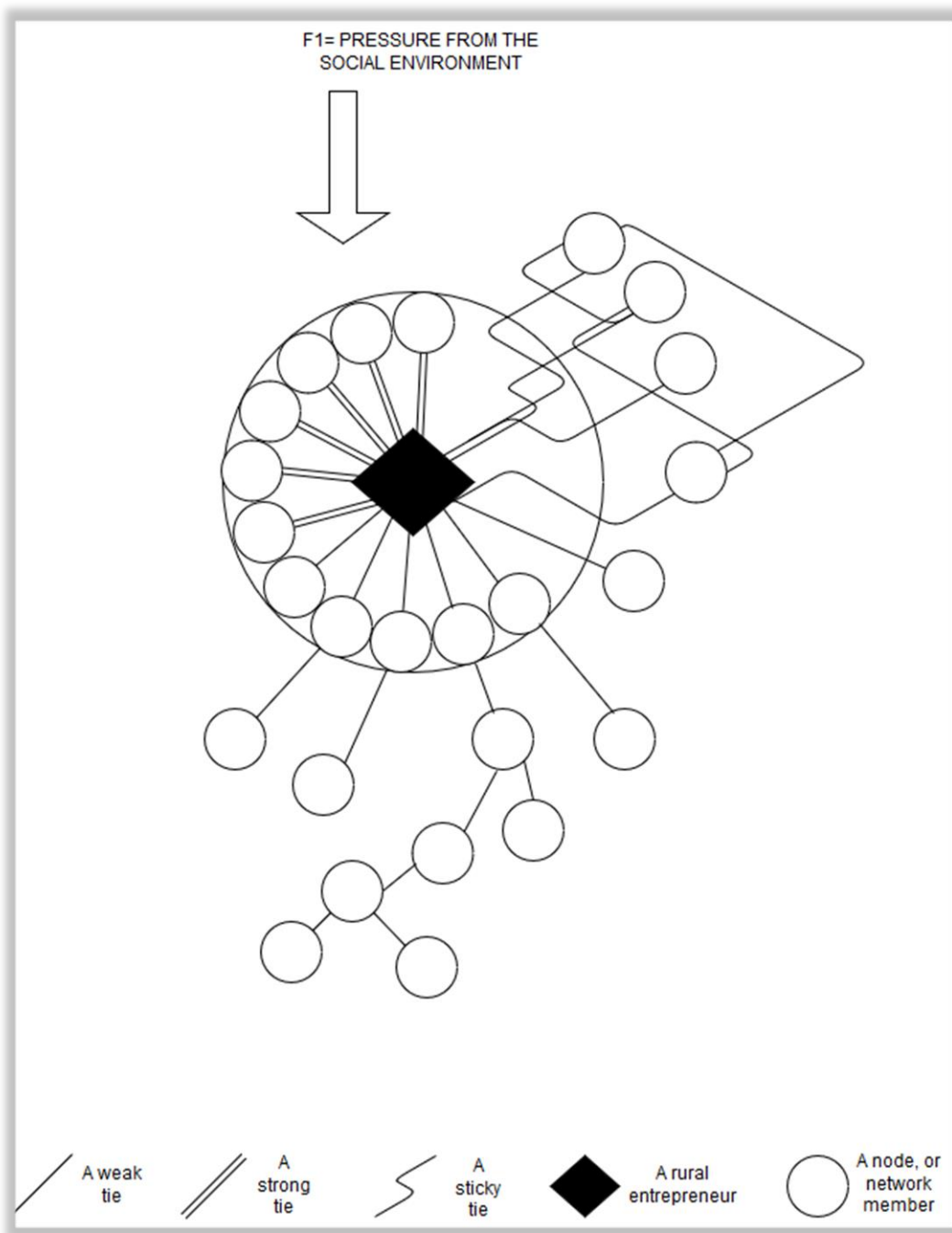
Individuals with few weak ties will be deprived of information from distant parts of the social system and will be confirmed to the provincial news and views of their close friends (Granovetter, 1983)

Though not all information, and far from all opportunities, are up for grabs on the world wide web, it is safe to say that a considerable number of things can be taken care of online. This of course is difficult to measure, and more research should be done to validate this claim, but currently *you do not know what you do not know*. I feel that the role that modern technology plays and the readiness to adopt them is an important characteristic of rural entrepreneurship in a current context, as tradition and heritage are being refined and enhanced with present-day necessities.

According to Johannisson (1988) strong ties bring the entrepreneurs trust, justification and verification. All of the entrepreneurs interviewed as part of this research had local strong ties, and most even had family members living in the close vicinity of them. This gave the entrepreneurs a sense of safety, and they all felt comfortable that they would receive help when needed. As the community was small, the entrepreneurs could not avoid doing business with people that they had a strong tie with, and this also did not seem to be an issue that they felt any discomfort with. This is because members of the community had devised unique ways of overcoming the potential risks of carrying out business with a strong tie emerged during the research. Firstly, some of the entrepreneurs had enforced a professional relationship alongside their personal relationship that was based on a unique system of barter. This only occurred when both parties trusted each other and there was a source of mutual value. Secondly, another take on the issue was to keep things completely separate by drawing up legitimate contracts and agreements that specify what is expected from both parties. These contacts help dodge conflict situations that occur due to miscommunication or false expectations.

Neither the weak nor the strong ties proved to be sources of pressure for the entrepreneurs. Nevertheless, the entrepreneurs did mention that they felt pressure from the surrounding social environment, and the source seemed to be from members of the community that were not close, but to whom the entrepreneurs felt obligated towards on some level. For this purpose, I have come up with the term *sticky ties*, as I feel it describes their characteristics with relative accuracy. These members of the community are usually well aware of current events, but also have comprehensive knowledge of events that have occurred in the past, which can lead to rather uncomfortable situations. As these people are acquaintances yet they lack a certain level of trust, engaging in a professional relationship is not always simple and can lead to conflict situations. A mutual or one-sided fear of conflict may also have a negative impact on potential business relationships. This is because a conflict situation may result in a substantial negative impact in the community.

5.1 Revised Theoretical Framework



Sticky ties added to the social network of the entrepreneurs in the revised version of the theoretic framework. Maaranto (2019)

The revised theoretical framework introduces the main findings of my research. It would seem as though the physical environment does not put pressure on the embeddedness process, or at least in a way that the entrepreneurs find actively disturbing. I have divided the personal network of the entrepreneurs to be comprised of three different types of ties: strong, weak and sticky. Of these, the pressure generated from the external social environment has the biggest role. As the entrepreneurs have some level of personal relationship with all of the members of the community, engaging in a professional relationship is not always as straightforward as with other ties. The sense obligation in combination with a lack of trust and fear of conflict is not the soundest start for a professional relationship.

6 Conclusion

Regarding the impact that the rural location and social environment has on the embeddedness process, it is difficult to tell based on the research I have conducted. Measuring and evaluating embeddedness and understanding the unique process proved a challenge with this research design. This issue demands more penetrating and long-lasting research in order to gain a better understanding of the process and its multifaceted impact.

Though I was unable to grasp the embeddedness process as a whole, the consequences of becoming embedded were obvious during my research. All of the entrepreneurs were part of the community on both a personal and professional level and had felt a deep connection and sense of belonging with the physical surroundings of Iniö. They had created strong ties with certain members of the community, and they felt confident that they would receive support and help whenever needed. One could speculate that a by-product of the embeddedness process are the so-called *sticky ties*, which would not necessarily emerge in an urban environment. The entrepreneurs have sticky ties with members of the community that they are not strongly connected to but feel some level of obligation towards. The *sticky ties* seem to represent the population of the community that communicate and reminisce readily, but not always from a positive standpoint. These ties are a source of uncertainty and potential conflict, as they are not as distant as weak ties and they lack the same trust that strong ties offer.

Regarding the primary question of whether rural entrepreneurship could solve the problems that many rural areas in developed countries are facing: that is a bit unsure. The primary goal of the entrepreneurs interviewed was to support themselves and ensure their future living on Iniö, and they did not aspire to expand their operations. Though this is of course a positive sign for the future, but it would mean that a considerable amount of individuals would have to take the leap of faith and engage in entrepreneurship. Iniö has the advantage of being a desired tourist destination and virtually heaven on earth, but are all rural areas this lucky? Are there going to be enough combinations of existing resources in order to create value to go round? Finding the answers to those questions may demand another thesis or two...

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Appendix A: The Interview Guide

1. Setting the scene. Give the interviewee an overlook on what my research is about on a general level. Mention the following issues: the more general challenges that rural entrepreneurs (primarily the interviewee, but other entrepreneurs are to be interviewed too on the same subject matter), the role that the physical location has on entrepreneurship and the social environment of rural entrepreneurship.
2. Background of the entrepreneur: What does your business do? What is your background as an entrepreneur? How experienced of an entrepreneur are you?
3. Why entrepreneurship: Why have you chosen entrepreneurship? What were the primary reasons for engaging? What are the main benefits for you personally/ main challenges? Has there been something that has surprised you?
4. Physical location: Why Iniö? Why have you established your business in Iniö? Could you imagine running your business in another location? Do you feel personally connected to Iniö, or are you here purely for business?
5. Social environment: Does the community here (in Iniö) impact your day to day business? What do you gain from the community e.g. loyalty, customers, stress? Would you say that the locals are your main customer segment? If not, why? How do you feel towards the community? Do you feel that you can rely on the community, or more on individuals?
6. How do you feel the rural location has an impact on your business? Which plays a bigger role: the rural location or local community?